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4 AUGUST 1988

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CZECHOSLOVAKIA

Principles of Communist Foreign Policy Defined

24000101 Prague NOVA MYSL in Czech

Nov 4, 1988 pp 28-36

[Article by Milan Matous: "On the Concept of the New Political Thought in International Policy"]

[Text] Leninism represents Marxism in the era of capitalism and proletarian revolutions, during the breakdown of the colonial system, and in the stage of mankind's transition from capitalism to socialism. It is a method which offers a specific analysis of a specific situation, provides directions for action, and serves as a source that develops and enhances ideas whose creative application was the basis for the creation and advancement of socialism.

A fundamental part of Leninism deals with the problem of theory and practice in the struggle against war and militarism, for peace, and for abolition of war from human life. Marxism-Leninism proceeds from the recognition of the socioeconomic class character and causes of wars. In this context, Lenin's often quoted paraphrase of Clausewitz's thesis defines war as continuation of politics by other means, and a tool of politics. Clausewitz's book "On War" intrigued Lenin in particular by its dialectic interpretation of the unity and contradictions of war and politics. As a theoretician of the art of war, Clausewitz dealt above all with the decisive effective of governmental policies on the objectives of wars, and consequently, on the choice of the strategy of military operations. He emphasized that in war, the military leader must respect the interests of his sovereign and of his government, and conduct military operation in accordance with the objective of either forcing the enemy to surrender unconditionally, or only of exacting certain concessions from him, etc. Primarily with this in mind Clausewitz examined the advantage of politics over war, and war as the continuation of the political line. As a systematic Marxist, V.I. Lenin endowed Clausewitz's theses with qualitatively new contents. Proceeding from the class character of politics, he saw war as a specific symptom which reflects sociopolitical class processes. He analyzed specific class causes of war and its character and regarded the class struggle—the socialist revolution—as a means to achieve the ultimate eradication of the causes of wars.

Every development on the global scale is substantially affected by fundamentally qualitative changes, among them the relations between politics and war, which are changing due to the scientific and technological revolution. However, under the conditions of imperialism, such a revolution affects primarily the military area, military techniques, and arsenals which adopted arms of mass destruction. If deployed in war, such weapons would destroy all of mankind. Many scientists maintain that they might annihilate all life on earth. There will be no winners in a thermonuclear war because it cannot

gain any political objectives; it would also destroy its initiators. In this sense nuclear war would no longer continue any political line as a mechanism that may serve a political purpose and achieve the purpose of the war.

Nevertheless, the changes in the relation between politics and war do not suggest that the sociopolitical character and causes of militarism and warmongering no longer exist; they still have no other but political and class character. Regional wars and conflicts, armed clashes, and the escalating arms race—none of these have lost their political character. Comrade M.S. Gorbachev offered the following description of current regional conflicts: "It is true that even though the substance and character of forces engaged in combat may differ, their conflicts as a rule are sparked on the home front by internal or regional clashes, provoked either by their colonial past or by new social processes, or by their relapse to the policy of aggression, or all of the above."

In a certain sense it is a fact that never before in history could war be such a dangerous consequence of political action as now because arms of mass destruction may be deployed on a mass scale and militarism may penetrate into space; imperialist policies, particularly those of the U.S. military-industrial complex, are threatening mankind with a apocalyptic war.

Naturally, the struggle for peace and against militarism and arms race has lost none of its political character. What is new at this stage of historical development is the extent to which militarism is threatening the very existence of mankind; the peace movement—a program to prevent nuclear war—has become the highest imperative for all mankind.

Bourgeois theory and propaganda have traditionally and continuously denied the class political character of wars and of militarism which they attribute to man's innate aggression or other psychological causes; they refer to an immensely complex, and in its complexity unfathomable, conglomeration of causes, or else they blame wars on transcendental, supernatural forces. However, the realities of our daily life have confirmed the link between militarism and military industrial complexes, international monopolies, and ultra-reactionary elements of international imperialism.

In the current situation not only the role of war but also the purpose of the stockpiling of arms has changed. The bourgeois world quotes various paraphrases of an old slogan which dates back to antiquity: If you want peace, prepare for war.

Neoconservative circles promote the idea that the United States should have a military edge over the USSR, and NATO over the Warsaw Pact, and that a "miracle weapon," i.e., the SDI—strategic defensive initiative, which involves a new arms system set up in space—must render the NATO countries absolutely

invulnerable. Nevertheless, military experts in the East and West alike agree that it is technically impossible to develop a device that would guarantee absolute supremacy and territorial invulnerability of any state. Even if thermonuclear weapons would destroy only one of the adversaries, it would be a suicide for the "victorious" opponent. Natural scientists have documented that if one percent of the existing thermonuclear arsenal exploded, it would destroy the conditions for life on our planet.

The United States is trying to start another round in the arms race which may waste immense material and spiritual values. The socialist states have not abrogated the strategic military balance and will not permit the imperialist states to impose their ill will on the world from the position of their absolute military supremacy. The SCI program cannot guarantee its makers more security; it only increases the threat to all mankind.

The new political thinking compels us to recognize the fact that states and nations can achieve only mutual, equitable and general security on an international scale. The way to its achievement was outlined by the general secretary of the CPSU Central Committee, M.S. Gorbachev, on 15 January 1986 in his proposal for a nuclear-free world and for the abolition of arms of mass annihilation before the end of this century.

The new political thought is more than the awareness that arms of mass destruction are threatening to annihilate all humanity and therefore, that they must not be used and that war must be prevented. Certainly, this idea is the key to the new political thought, but not its whole content. Such a elementary fact must affect every vital aspect of human life and every relation among states and nations. It affects every aspect of foreign and domestic policies of individual states. In international relations it calls for trust and peaceful solution of controversies and conflicts. In the economic area it calls for economic security of every state, for the establishment of mutually advantageous contacts, and for a new economic order. In the cultural and humanitarian sphere it calls for an expanded and intensified international cooperation, including resolution of problems related to human rights and freedoms.

Official doctrines of imperialist powers adopted the policy of "deterrent" which regards "adequate intimidation" as the precondition of world peace. This absurd view maintains that the "sword of Damocles" of thermonuclear destruction is the best guarantee of peace. It is one of NATO's official theses. Actually, "adequate deterrent" means steadily escalating stockpiling of arms.

The time factor has recently assumed a new role in the struggle for peace and preservation of human culture and civilization. The correct understanding of that factor is obfuscated by the fatalistic bourgeois propaganda. However, if we wish to take a realistic look at the time factor, we must recognize several of its aspects. Comrade M.S.

Gorbachev underscored some of them in his addresses. Advanced arms systems operate with a greater share of automated control and with increasingly complex technical equipment which relegates man to a subordinate position, because human sense are no longer capable of approaching the standard of technical sensors, and human brain cannot meet the demand for rapid combinations and commands. Thus, there is a growing danger that the launching of whole destructive systems may defy human control and that the question of life and death on earth may be determined by some accidental malfunction of technology. There is a growing danger that the Moloch of thermonuclear machinery may advance too fast to be restrained by the human factor, i.e., by governments. The fuse of this advancing process of technicalization in the military sphere must be cut before it is too late.

Another critical issue related to the time factor is the acquisition of arms of mass destruction by more countries all of the world. The United States, Britain, France, and China already possess nuclear weapons, while Pakistan, Israel, and the Republic of South Africa are conducting nuclear tests. Experts mention several other countries that are, so to say, about to iron out the last technical wrinkle and to start their own production of nuclear arms. The more states will possess and manufacture nuclear weapons, the more difficult and tangled will be the process of banning and liquidating them effectively, and of supervising the observation of all agreements in force.

Furthermore, in order to appreciate correctly the role of time in the struggle for peace, the moral and ethical challenges to each government, public institution, and individual must be precisely defined. Significantly enough, the struggle against the threat of war and for disarmament is linked to a major degree with the concept of an accelerated socioeconomic and general social development of socialism. The policy of acceleration and restructuring in the USSR, CSSR, and other socialist countries aims primarily at the achievement of a qualitatively new level of socialist society and is dictated above all by internal demands of socialist development. Also, international aspects and the challenges of the struggle for peace represent an integral part of the program of acceleration and restructuring. Soviet sources noted that the declining dynamism of socialism in the late 1970's and early 1980s was one of the factors which gave boost to dangerous militarism of the United States and its closest allies. Actually, it is a kind of feedback confirming that the development and strength of socialism are indispensable for peace. However, this is not only the case of balance of military power, as imperialist propaganda alleges, but of the development of the overall capacity and dynamism of socialism, socialist economy, political system, social policies, and its spiritual atmosphere. All that determines the authority and magnetism of socialism in the world and the trust in socialism, which is of vital importance for the growth and character of the international peace movement. It is

a proven fact that the strategy of acceleration and restructuring in the USSR and other socialist countries has greatly influenced global peacemaking. The awareness of this fact also belongs in the realm of the new political thought.

Under the current qualitatively new historical conditions, the role of pacifism is undergoing certain changes. In the past we used to reject pacifism for obvious reasons as a basically reactionary trend of thought and political action. At this juncture in world development pacifism seems to have acquired some relatively attractive aspects. Of course, its general peace appeals, particularly those based on the premise that the United States and the USSR must bear "equal responsibility" for international tensions, continue to be—to put it mildly—controversial because they disregard the fact that imperialism poses a real threat to peace, while socialism is the mainstay of peace. Allegations about equal responsibility are objectively wrong, untrue, and for many people misleading. However, the reactionary forces are trying to capitalize from them for their own anti-Soviet purposes. This is one side of the coin. The other is the fact that various pacifist movements are promoting peace appeals and slogans—for nuclear freeze, against the first-strike policy, in support of disarmament, for cuts in military budgets, for nuclear-free zones and territories—whose principles are the same as the peace program of the USSR, CSSR, other socialist countries and peaceful forces. By the same token, they sharply contradict the policies and interests of militarist imperialist circles.

Pacifists of every stripe are finding themselves more and more frequently in open conflicts with imperialist governments and their power machinery. In some instances neoconservative propaganda characterized various Green Party activists or religious idealists as "communist agents on Moscow's payroll." Such practical lessons are gradually opening the eyes of many pacifists and helping them understand who is the real enemy of peace and who sincerely shares and vigorously supports their quest for peace. The realities of the current world situation offer an opportunity to transform pacifism into a solid, relatively progressive peacemaking force.

Despite all the changes occurring on the international scene, it still applies that anti-communism and anti-Sovietism serve as the main ideological tool of militarism. People are supposed to believe that communism, the USSR, and other socialist countries are evil personified and that they pose a deadly threat to the "democratic world." On that basis, a priori distrust is raised against all peace proposals made by the USSR and other socialist states. The participation of communist parties in the peace movement is supposed to confirm that the peace movement is "Moscow's tool." The quest for disarmament and for abolition of nuclear weapons is presented as the USSR's hypocritical attempt to gain superiority in conventional forces and to prepare for an attack against the West. Under this "ideological cover" the imperialist states are promoting their concept of the

so-called "arms control" which is nothing else but a confusing squabble about the reciprocity of arms capacities. Its real purpose is arms reduction to give the United States the coveted supremacy over the USSR and NATO supremacy over the Warsaw Pact.

For the U.S. militaristic circles is typical the argument that tries to turn reality upside down and to portray the most sincere anti-nuclear disarmament proposals as "proof" of the alleged expansive and aggressive intentions of the USSR. This demagoguery has a long history of years and decades of systematic anti-Soviet and anti-communist fabrications and slander. A priori anti-Soviet and anti-communist prejudices have prepared a fertile ground for the most preposterous allegations of the above-mentioned kind.

It is a proven fact that the ideological offensive against reactionary prejudices and superstitions is an important factor of the peace movement in which the principal role is played by the truth about socialism and its specific peace proposals, initiatives, and principles guiding the peace policy of the socialist states. An essential part of the struggle for peace and peaceful coexistence is the thwarting of anti-communist campaigns, ideological subversion and of psychological warfare.

The postulate of the new political thought is based on the postulate of realistic accommodation to the current world situation—to the fact that the preservation of peace is the first and foremost imperative for the survival of mankind, and a springboard for the solution of all other problems. The adopting of the Marxist-Leninist view or identification with the class interests of the proletariat and working masses is not its necessary precondition. Realistic, sober thinking and correct political steps may be based just as well on a non-Marxist worldview and on political programs motivated by bourgeois class interest. However, many facts have confirmed that it would be extremely difficult to achieve such a change in the mindset of the capitalist countries. We must be prepared for a lengthy process which cannot avoid certain setbacks and resistance, as demonstrated not only in the political arena, but at every international conference or congress—wherever we meet with theoreticians and ideologues from the West. Yet even at present we must not wait but do what we can to help persuade honest people, even members of the intelligentsia in the West. It is very important that people all over the world learn about the peace proposals of the socialist states. One can hardly believe what barriers of non-information and disinformation have been set up by the bourgeois "informative system." The main method which bourgeois propaganda uses to fight against the peaceful initiative of the USSR and other countries is concealment and preventing the working masses in the West from all access to objective information about the aspects of such peace proposals.

In addition, the ongoing struggle for peace has raised new, urgent challenges for our scientific research. It calls for broader contacts with theoreticians from the West,

for more convincing explanation of our points of view, and for an open dialogue. Naturally, this demands a more effective theoretical treatment of certain complex, so to say "ticklish" issues. The more we keep dodging them, the more zealously our adversaries cling to them like parasites, and the more frequently our opponents use them as arguments in international polemics, including, for example, the problem of tensions and armed conflicts among progressive forces, or as the case may be, even among the socialist countries. China's attack against Vietnam is frequently quoted as "proof" that socialism and peace are not indivisible. The question of policies adopted by communist parties in capitalist countries toward imperialist military-political blocs also require a serious theoretical analysis. There we must respect the unity as well as the relative difference between the political line and science. One aspect of this issue involves the consideration whether communist parties should, or should not, engage in open polemics; another calls for a thorough theoretical explanation of the question whether one may realistically consider the possibility that the communist party's ideological and political influence may transform the imperialist military-political coalition into a kind of a democratic, relatively progressive peace institution. We frequently encounter theoretical questions about the attitude toward bourgeois governments which have adopted relatively progressive, peaceful, anti-war, or anti-imperialist stance in their foreign policy, particularly when dealing with war-and-peace issues, but which at the same time pursue reactionary domestic policies and are hostile to the workers' class, to social demands of the working people, and to communist parties in their country. Fundamental differentiation of defensive strategies in socialist countries, and of militarist policies of imperialism also require a more comprehensive scientific examination. Last but not least, an especially urgent question which deserves an in-depth scientific analysis concerns the contents of realistic policies aimed at nuclear disarmament, and the methods which may force imperialism—among whose vital characteristics is militarism—to adopt the disarmament proposals.

In past history of human civilization the idea of globalism, unity of mankind and fraternity of nations emerged repeatedly in the form of various utopias, religious idealism and mystical visions. However, the greatest and most progressive thinkers also postulated it as an intrinsic attribute of humanism. Compared with the past, the difference in this case is that in the context of the new political thought the idea of common concerns shared by all people on this Earth is linked with new, objective conditions far more realistically, with unprecedented urgency, and with a better chance of success. It involves the very survival of the human species and follows interest in the solution to the so-called global problems. Moreover, it concerns the preservation and development of mankind's spiritual wealth, and the potential and need of mutual cultural enrichment. It poses new challenges to social, natural, medical, and technical sciences.

The solution of these problems undoubtedly constitutes an important part of the dialectics of class and universal values. Above all, it is a task of Marxist-Leninist theory as well as a precondition for enhancement of its natural authority. By their very essence these problems belong among the tasks of common concern to international research. Although the Czechoslovak scientific research base lacks the power and capacity to resolve independently this conglomeration of pressing problems, it may contribute to their solution in a meaningful way and at the same time, while dealing with the most general and most fundamental issues, it may resolve any partial or domestic problems and tasks in a broader global context of our era.

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Law on Housing, Consumer, Producer Cooperatives Published

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in Czech 17 Jun 88 pp 1-8*

[Text] The system of housing, consumer, and producer cooperatives (hereinafter "cooperative system") is an integral and equal part of the economic and social system in the CSSR and contributes significantly toward the CSSR's economic and social development. It helps to increase socialist society's wealth, and to achieve socialist society's main objective—to satisfy as fully as possible the material and spiritual needs of the people and to raise their standard of living. Through its political education, cultural and social activity, the cooperative system also contributes toward developing socialist society's social relations.

The housing, consumer, and producer cooperatives, together with the cooperative enterprises, belong among the national economy's basic units.

The cooperative system performs its economic, social and public tasks in line with the policy of the CPCZ, the leading and guiding force within socialist society and in the socialist state. The CPCZ organizations functioning at cooperative organizations constitute the political core of the membership and employees. They combine the efforts of the membership, employees, and National Front-affiliated voluntary public organizations operating in cooperative organizations, to satisfy national needs. They exercise the right of party control and ensure implementation of the CPCZ's cadre policy.

The cooperative system fulfills the tasks set by the state plan of economic and social development, and helps to satisfy the population's needs. It consistently applies the principles of cooperative democracy and democratic centralism within the cooperatives and in socialist cooperative self-management.

To create comprehensive conditions for taking full advantage of the opportunities that the cooperative system provides, and to increase its role in accelerating the socioeconomic development of the CSSR, the Federal Assembly hereby enacts the following law:

Part I. General Provisions

Section 1. Purpose of the Law

The purpose of the present law is to regulate the status, legal relations, and principles of operation of

a) Housing, consumer, and producer cooperatives (hereinafter "cooperatives") as some of the basic units of the national economy;

b) The unions of these cooperatives, the Central Council of Cooperatives, and cooperative enterprises (together with the cooperatives, hereinafter "cooperative organizations").

Section 2. Tasks of Cooperative Organizations

1) By their economic, social and public activity, cooperative organizations participate in fulfilling national economic tasks and contribute toward satisfying the needs of individuals and of socialist society.

2) Through their economic activity the cooperatives provide:

a) Organized planning, construction and management of residential and nonresidential buildings, and housing-related services;

b) Services in retail trade, public catering, tourism, supplementary food production, and procurement of certain farm and forestry products;

c) Production of consumer goods, made-to-order goods, repairs and other services for individuals and organizations, promotion of artistic crafts, and cooperation with state enterprises that is expedient from the viewpoint of the national economy;

d) Other activities and services to satisfy the needs of individuals and of the national economy.

3) The cooperatives develop the work-related initiative of their members and employees, and concern themselves with satisfying their social and cultural needs, upgrading their qualifications, and improving their working and cultural conditions, in accordance with the results of the cooperatives' operations. The cooperatives that have trade unions do all this in cooperation with their trade-union organizations.

4) By their activity the cooperatives as voluntary public organizations help to develop socialist social relations; at the same time they cooperate with other voluntary public organizations and help to draft and implement the platforms of the National Front.

5) By their activity the unions of the cooperatives, and the Central Council of Cooperatives, contribute toward fulfilling the cooperative system's tasks.

Section 3. Cooperative Property

1) The cooperative organizations' property comprises real, movable and intellectual property, including the rights to the results of research, development, planning and design, and similar activities. The cooperative organizations acquire this property at the time of their formation and through their activity. This property is held in socialist cooperative ownership.

2) The cooperatives, their unions and the Central Council of Cooperatives manage as owners their own property, and also the parts of public property assigned to them for their permanent use.

3) The cooperative enterprise manages property that is held in socialist cooperative ownership and has been assigned to the enterprise at the time of its foundation; furthermore, the cooperative enterprise also manages property which it acquired by its activity, and which is likewise a part of property held in socialist cooperative ownership.

4) Cooperative organizations have the right to hold, use and dispose of property that they manage in their own name. They also have the right and obligation to preserve and increase such property, so as to achieve the best possible economic results, and to satisfy as fully as possible socialist society's needs.

Section 4. Activity of Cooperative Organizations and Socialist Legality

1) Cooperative organizations carry on their activity in agreement with the principle of socialist legality.

2) Cooperatives and cooperative enterprises develop their activity on the principles of conformity to the plan and economic competition, so as to fulfill their mission successfully, while taking advantage of all the opportunities that the socialist legal system offers.

3) Cooperative organizations may not place their own interests above those of society. Cooperatives and cooperative enterprises may not abuse their economic position at the expense of others, or act in any other way against society's interests.

Section 5. Collaboration With National Committees

1) In their activity the cooperative organizations collaborate with the pertinent national committees and participate in the comprehensive economic and social development of the areas of national committees, in the manner and under the conditions specified by law. In their activity the cooperative organizations are obliged to comply with the resolutions that the national committees issue within the scope of their authority.

2) The pertinent national committees comment on the development of the cooperative enterprises, and on the object of the cooperative enterprises' activity and its basic changes.

Part II. The Cooperative

Section 6. Cooperative's Status

1) The cooperative is the cooperative system's basic unit.

2) The cooperative is a socialist organization, an association that individuals or organizations form to pool their resources and pursue an activity jointly, and thereby to better satisfy their own needs and those of other individuals and organizations, in agreement with the interests of socialist society.

3) The cooperative is a legal entity. It can enter into contracts in its own name and is responsible for the obligations ensuing from such contracts.

Section 7. Profit-and-Loss Accounting, Self-Financing

1) The cooperative conducts its activity independently, on the basis of full profit-and-loss accounting.

2) The cooperative meets its needs and covers its costs from revenues derived primarily from its economic activity and other sources as well.

3) From its profit the cooperative meets first of all its obligations toward the state (payments to the state budget, and taxes).

4) The cooperative decides how to use the profit remaining after its payments to the state budget and taxes have been met (hereinafter "disposable profit"), and this profit may not be taken away from the cooperative.

5) The cooperative may form funds intended to finance: expansion and capital replacement; the expenses of the cooperative's public consumption; contingencies and economic risks; and possibly other objectives, in accordance with the cooperative's bylaws (hereinafter "bylaws").

Section 8. Cooperative Self-Management

1) The cooperative conducts its activity on the principle of cooperative self-management.

2) The members of the cooperative manage and oversee its activity through the membership meeting and the cooperative's elected officers and bodies, in accordance with generally binding statutory regulations and the bylaws.

Section 9. Independence of Cooperatives

1) Restriction of, or interference in, the cooperative's activity and territory is permissible only under the conditions, and in the manner, specified by law.

2) When a government agency entrusted with economic administration interferes in the cooperative's activity in violation of generally binding statutory regulations, the cooperative may seek protection from the Office of Economic Arbitration, under the conditions specified by law.¹

3) When a government agency entrusted with economic administration causes material damage to the cooperative by interfering in its activity, the agency is obliged to compensate the cooperative for the damage. The conditions under which compensation is paid, the extent of compensation for material damage, and the cases when compensation may not be claimed, are specified by law.¹

4) When the cooperative's activity causes material damage to the state or to another person, the cooperative is obliged to pay compensation for the damage, under the conditions and to the extent specified by law.¹

Part III. Formation and Dissolution of Cooperatives

Section 10. Formation of the Cooperative

1) Formation of a cooperative requires the advance standpoint of the national committee on whose territory the cooperative is to be located, and discussions with the cooperative union. Furthermore:

a) The resolution of the cooperative's organization meeting, where the cooperative must have at least five founding members;

b) Adoption of the bylaws;

c) Election of the cooperative's officers and elected bodies;

d) The appropriate government agency's approval of the object of the cooperative's activity, whenever special regulations require such approval.

2) The cooperative is formed, and it may acquire rights and assume obligations, as of the day it is entered in the enterprise records.

3) The cooperative's managing committee (hereinafter "the managing committee") files the application for entering the cooperative in the enterprise records. To its

application the managing committee must attach: the resolution of the cooperative's organization meeting, together with the results of the preliminary discussions about the cooperative's formation with the pertinent national committee and cooperative union; the bylaws; and a list of the members of the managing committee.

4) The cooperative is obliged to advise about its formation the national committee on whose territory it is located, and the appropriate cooperative union.

Section 11. Bylaws

1) The bylaws are the cooperative's basic internal rules. The cooperative drafts them in accordance with the present law and other generally binding statutory regulations.

2) The bylaws must contain:

a) The cooperative's distinctive name, which clearly identifies the organization as a cooperative and excludes the possibility of confusing it with other organizations;

b) The cooperative's location;

c) The object of the cooperative's economic or other activity;

d) Provisions regarding the commencement and cessation of membership, the members' rights and obligations, and action against members who do not fulfill their obligations;

e) The value of a member's share or initial contribution, how it is paid in, and settled upon the cessation of membership, and also the manner and extent of a member's liability for the cooperative's possible losses;

f) Detailed provisions regarding the cooperative's officers and elected bodies, and the manner of electing them;

g) Provisions regarding the cooperative's officers and elected bodies not regulated by the present law, the manner of electing them, their mode of deliberation, and their term of office;

h) Designation of the cooperative's officers and elected bodies that conduct disciplinary proceedings, and the scope of their authority;

i) In cooperatives where membership also involves employment, provisions regarding an arbitration board;

j) Basic rules regarding the cooperative's management.

Section 12. Dissolution of the Cooperative

1) The cooperative ceases:

a) When it is split up, merged or consolidated;

b) By liquidation, when the membership meeting resolves to dissolve the cooperative;

c) By liquidation, when the pertinent state agency orders the dissolution of the cooperative because it is violating its basic obligations specified by law.

2) The assets, liabilities and members of the split-up cooperative devolve on the newly formed cooperatives, to the extent specified by the resolution to split up the cooperative.

3) The assets, liabilities and members of a merged cooperative devolve on the surviving cooperative.

4) The assets, liabilities and members of the consolidating cooperatives devolve on the newly formed cooperative.

5) When a cooperative is dissolved, it undergoes liquidation, and the cooperative union appoints the receiver. The commencement of liquidation is entered in the enterprise records, whereby the functions of the cooperative's officers and of its governing and executive bodies cease. Liquidation proceeds according to generally binding statutory regulation.¹ Any possible surplus remaining after satisfying all obligations of the cooperative and redeeming the members' shares belongs to the appropriate cooperative union, which must use such resources to finance the cooperative movement's further development.

6) The cooperative ceases effective the day it is deleted from the enterprise records. The application to delete the cooperative is filed by the newly formed or the surviving cooperative, and by the receiver if the cooperative underwent liquidation.

Section 13. Obligation To Notify

The cooperative on which the ceased cooperative's assets and liabilities have devolved must notify without delay, about the cessation of the cooperative and the devolution of its assets and liabilities, the organizations and other persons affected by the cooperative's cessation. In the case of liquidation, this obligation falls on the receiver.

Part IV. Members and Employees of the Cooperative

Section 14. Membership in the Cooperative

1) The members of the cooperative may be individuals, respectively organizations, if the cooperative's bylaws permit.

2) Membership in the cooperative is voluntary.

Section 15. Basic Rights and Obligations of Members of the Cooperative

1) The basic rights of the members of the cooperative are:

a) To participate in managing and overseeing the cooperative's activity, either directly or through elected bodies.

b) To elect the cooperative's officers and bodies, and to hold elected office;

c) To share in the results of the cooperative's entrepreneurship, and in the advantages that the cooperative provides for its members, in accordance with generally binding statutory regulations and the bylaws.

d) To present proposals for improving the cooperative's activity, to address comments and questions to the cooperative's officers and bodies, and to be informed about the outcome of the action taken on the proposals, comments or questions;

e) In cooperatives where membership also involves employment, to work under mutually agreed conditions, and to be paid for the work performed commensurately with its results, but depending on the cooperative's economic results. Furthermore, to receive assistance from the cooperative for upgrading and broadening the member's qualifications, in accordance with the cooperative's needs.

2. The basic obligations of a member of the cooperative are:

a) To observe the bylaws, to comply with the decisions and resolutions of the cooperative's officers and bodies, and to abide by the principle of comradely cooperation;

b) To participate by his work, actively and with initiative, in fulfilling the cooperative's tasks, and in its development;

c) To comprehensively strengthen and develop joint cooperative management, and to preserve and enhance the cooperative's assets;

d) To bear the cooperative's possible losses, as specified in the bylaws;

e) In cooperatives where membership also involves employment, to work under the mutually agreed conditions, and to upgrade one's qualifications in accordance with the cooperative's needs.

Section 16. Employment of Members

1) In cooperatives where membership also involves employment, the Labor Code governs employer-employee relations between the cooperative and its member, with the following exceptions:

a) The following provisions of the Labor Code do not apply to employer-employee relations between the cooperative and its members: (1) the Labor Code's applicability to special groups of employees (Sections 2, 4 and 5); (2) the employees' participation in the organization's development, management and oversight (Sections 18-22, and Section 27, Paragraph 1); (3) general contracts of employment (Section 34); (4) trade-union participation in the reallocation and transfer of employees, and in the termination of their employment (Sections 41 and 59); (5) the disciplinary authority of senior executives and bodies (Section 78, Paragraphs 1 and 2); (6) public oversight of the trade unions (Section 136); (7) the establishment of arbitration boards, and their proceedings (Section 207, Paragraph 2); (8) the transfer of rights and obligations ensuing from relations regulated by labor law (Sections 249-251); (9) labor-law relations involving another socialist organization, and labor-law relations contracted between individuals (Sections 268 and 269); and (10) explanation of certain terms (Section 271).

b) Where the Labor Code mentions employment, it means membership; where it mentions secondary employment, it means membership and part-time work as a secondary occupation. Where the Labor Code mentions an employment contract, it means an agreement on working conditions that is a part of the application for membership. Where the Labor Code speaks of the organization's chief executive, it means the cooperative's managing committee, or the officer or body to whom the managing committee has delegated authority.

c) The provisions of the Labor Code regarding the trade-union committees' scope of authority do not apply to the employer-employee relations between the cooperative and its members; where the Labor Code speaks of trade-union participation, the bylaws regulate the scope of authority of the appropriate cooperative officers and bodies, in a manner that corresponds to the cooperative's conditions, especially in questions concerning the cessation of membership, public oversight of compliance with labor-law regulations, and the state of industrial safety and health protection.

d) Arbitration boards are established as specified in the bylaws of the cooperative. The generally binding regulations issued in accordance with Section 216 of the Labor Code, with the possible departures specified in the bylaws or in the resolutions of the cooperative's highest bodies, govern the details of the arbitration boards' proceedings.

e) Secondary activity (Section 71 of the Labor Code) may be undertaken only as employment, or on the basis of service contracts that do not establish employment.

f) The cooperative's governing body approves the cooperative's work rules and also specifies the officers and bodies that have disciplinary authority.

g) Where the Labor Code permits regulating also certain working and wage conditions in the collective contract, such regulations may be introduced by a resolution of the cooperative's governing body.

h) Where the Labor Code speaks of the worker collective, it means the cooperative's members collectively.

Section 17. Employees of the Cooperative

1) When membership does not also involve employment, the cooperative hires employees to perform its tasks.

2) In its operations the cooperative makes use of the experience, professional knowledge and activity of its employees and their voluntary public organizations, namely of the trade union and the Socialist Youth Union, whose representatives it invites to the meetings of members, respectively to the meetings (conferences) of the members' delegates, and of the cooperative's managing committee.

Part V. Officers and Bodies of the Cooperative

Section 18. Officers and Bodies of the Cooperative, Their Resolutions

1) The officers and bodies of the cooperative are:

a) The membership meeting, respectively the meeting (conference) of the members' deputies;

b) The managing committee;

c) The chairman;

d) The control commission;

e) Other officers and bodies specified in the bylaws.

2) The term of office of the cooperative's elected officers and bodies is five years, unless the bylaws specify a shorter term.

3) The cooperative's bodies listed in Paragraph 1, Items a), b) and d), have a quorum when more than half of their members are present. Their resolutions are adopted by an absolute majority vote of the members present.

4) Detailed election rules and rules of order may regulate the election of the cooperative's bodies and their proceedings. The bylaws specify how these rules are approved.

Section 19. The Membership Meeting

1) The membership meeting is the cooperative's governing body, and the members exercise primarily through it their right to manage the cooperative's affairs and to oversee its activity. If it is impossible to convene a membership meeting due to the cooperative's size, the bylaws may specify that the meeting (conference) of deputies whom the cooperative's members elect performs the functions of the membership meeting.

2) The managing committee convenes the membership meeting whenever necessary, but at least once a year.

3) The membership meeting must be convened when more than a third of the members so request, and in other instances specified in the bylaws.

4) The membership meeting has authority:

a) To adopt and modify the bylaws;

b) To elect and recall the members of the managing committee, and of the control commission; the membership meeting decides how to conduct the elections;

c) To discuss and approve the reports of the managing committee and of the control commission regarding the cooperative's activity;

d) To approve: the conceptual plan of the cooperative's development; the cooperative's economic plan; its management policies, including the formation and use of funds; the annual financial statement; and decisions on how to distribute the profit and cover a possible loss;

e) To decide appeals from, and complaints against, the resolutions of the managing committee and possibly other bodies of the cooperative;

f) To approve the adoption of a consolidation program for the cooperative;

g) To decide about splitting up, merging, consolidating or dissolving the cooperative;

h) To decide other matters concerning the cooperative and its activity if the present law or the bylaws so provide, or if the membership meeting has reserved decision-making authority for itself.

5) The membership meeting may decide to split up, merge, consolidate or dissolve the cooperative only if the proposal has been discussed in advance with the cooperative union, and with the national committee on whose territory the cooperative is located.

Section 20. The Managing Committee

1) The managing committee is the cooperative's statutory executive body, with authority to act in the cooperative's name in all matters. It ensures and oversees implementation of the membership meeting's resolutions, regularly presents reports to the membership meeting on its own and the cooperative's activity, and is accountable to it for its own activity.

2) The managing committee directs the cooperative's activity and decides all matters not reserved for other bodies of the cooperative.

3) The managing committee meets as necessary, but at least once a month.

4) The bylaws specify the manner in which the managing committee acts in the cooperative's name; but if the legal act performed by the managing committee must be in writing to be valid, the signatures of two committee members are required.

5) From among its own members the managing committee elects a chairman, perhaps a deputy chairman (or deputy chairmen) and other officers; the managing committee determines the manner in which it elects these officers.

Section 21. The Chairman

1) The chairman organizes, and presides at, the meetings of the managing committee, and directs the day-to-day activity of the cooperative. The chairman is accountable to the managing committee for the performance of his duties.

2) The bylaws specify who acts for the chairman in his absence.

Section 22. The Control Commission

1) The control commission is the cooperative's oversight body. It oversees compliance with the bylaws, and implementation of the resolutions that the membership meeting, respectively the managing committee, adopts concerning the cooperative's management; and it comments on the cooperative's annual financial statement, and on the proposal to distribute the profit or to cover the cooperative's loss.

2) The control commission elects a chairman from among its members; the commission itself determines its own election procedures.

3) Regarding its activity, the control commission is accountable to the membership meeting and reports to it.

4) Members of the control commission may not be members of the managing committee.

Section 23. Officers and Bodies of Small Cooperatives

In a small cooperative with up to 30 members, the bylaws may specify that the membership meeting performs the functions of the managing committee and of the control commission. From among the members of the cooperative the membership meeting elects a chairman and possibly other officers.

Section 24. Internal Organization of the Cooperative

1) The cooperative has exclusive authority to determine its internal organization.

2) The rules of organization or possibly some other internal organizational regulation determines the cooperative's internal organization. The managing committee issues these rules or regulation.

Part VI. Economic and Social Activity of the Cooperative

Section 25. Relations Between the Cooperative and the State

1) In accordance with its economy-organizing function, the socialist state creates, primarily through generally binding statutory regulations, the conditions for the cooperative's planned economic, social, and public development; the socialist state also aids the cooperative's efficient development, and supports its entrepreneurship and initiative in satisfying the needs of individuals and society.

2) The cooperative uses the special-purpose subsidies, or other forms of advantages and assistance that the state provides, to achieve the objectives of socialist society's economic and social development.

Section 26. The Economic Plan

1) The cooperative operates according to its economic plan, which is the basic tool for managing its own economic activity.

2) The cooperative's economic plan starts out from the goals and targets of the state plan of economic and social development (hereinafter "the state plan").

3) The cooperative's economic plan must secure fulfillment of the concluded economic contracts; it ensures the cooperative's development and starts out from the orders on the cooperative's books, as well as from market research and the cooperative's objectives.

4) When preparing and implementing its economic plan, the cooperative must particularly make efficient use of all available resources and capacities, primarily of the advances in research and development; it must employ

progressive consumption norms for labor, raw and processed materials, energy and fuels; and must strive constantly to cut its production and distribution costs, raise labor productivity and increase its disposable profit.

- 5) The cooperative prepares its economic plan with the wide participation of its members and employees, who actively take part in drafting and implementing the plan, and in overseeing its fulfillment.

Section 27. Economic Contracts

1) Economic contracts are the basis of economic relations between cooperatives mutually, and between cooperatives and other socialist organizations. The contracts secure fulfillment of the tasks that stem from the cooperative's economic plan, and from changes in demand on the domestic and foreign markets. At the same time, economic contracts belong among the documents from which the drafting of the economic plan must proceed.

- 2) The economic contracts are binding on the cooperative, and it is obliged to honor them. Fulfillment of the economic contracts is reflected in the cooperative's final economic results. It influences the allocations to the cooperative's funds, and the remuneration of its employees and members. The cooperative is financially liable for failure to fulfill its economic contracts.

Section 28. Advances in Research and Development

1) In its activity the cooperative applies the results of research and development, and constantly raises the technical level, quality and competitiveness of its products, work and services, in accordance with the requirements of its members, customers, and socialist society.

- 2) To accelerate and intensify progress in research and development, the cooperative employs various forms of combining science with production.

Section 29. The Quality of Products, Work, and Services

Care for raising the quality of its products, work and services is one of the primary duties of the cooperative, and a prerequisite for its own economic and social development, as well as for satisfying the needs of society.

Section 30. Procurement and Sales

1) In collaboration with other cooperatives and persons, the cooperative ensures the supply of materials and equipment for its production and other needs, without disrupting its own economic and social activity, while using its resources economically and expediently. To this

end the cooperative organizes its procurement independently and selects its own supply routes, with due consideration for the need to maintain efficient circulation of products, and of raw and processed materials, in the national economy.

- 2) The cooperative selects independently the most advantageous methods and organization for selling its goods.

- 3) In the instances specified by law, the cooperative ensures its procurement and sales in agreement with the measures of the state agencies concerned.

Section 31. Financial Resources

The cooperative's financial resources stem from enrollment fees, shares, members' contributions, revenues from the cooperative's operations, and other sources.

Section 32. Prices

1) The cooperative sells its products and supplies its work and services at prices, respectively for compensation, that have been set or negotiated in accordance with the regulations on pricing.

- 2) The cooperative must comply with the state regulations on pricing. The resources gained through unjustified violations of the pricing regulations, unless returned immediately to the overcharged customer, must be paid into the state budget. For violations of pricing discipline the enterprise is liable in accordance with generally binding statutory regulations.

Foreign Economic Activity

Section 33

1) In its economic activity the cooperative takes advantage also of participation in the international division of labor, especially within the framework of socialist economic integration.

- 2) According to the rules specified by law, the cooperative may engage in foreign economic activity, usually on the principle of providing the necessary foreign exchange through self-financing. Under the conditions specified by law, the cooperative has the right to establish and maintain direct relations with the organizations of states participating in socialist economic integration.

Section 34

1) The cooperative has the right to set up a foreign-exchange fund. It obtains the resources for this fund, in accordance with the foreign-exchange norms, from the foreign exchange earned in export, as the net balance of cooperational deliveries, or through the sale of patent licenses; also from savings of allocated foreign exchange or from foreign-exchange grants.

2) The resources in the foreign-exchange fund serve to finance the development of the cooperative's economic activity, to pay for its import needs, to meet its foreign-exchange obligations, and to repay bank credits if they flowed into the foreign-exchange fund.

3) The resources in the foreign-exchange fund formed by the cooperative may not be taken away from it; the cooperative decides how to use this fund, in accordance with generally binding statutory regulations. The unspent balance of the fund may be carried over into the next calendar year, without any restrictions.

Environment's Protection and Enhancement, Rational Use of Natural Resources

Section 35

1) The cooperative is obliged to conduct its economic and social activity in a way that will protect the living environment the most effectively from the harmful effects of the cooperative's operations. In particular, the cooperative must not pose a threat to public health. From its retained earnings the cooperative finances and implements measures aimed at abating the damage caused by its operations, and measures to enhance and protect all components of the living environment threatened by the cooperative's operations.

2) The cooperative is obliged to install environmental protection equipment, place it in operation together with the pertinent production or nonproduction installations, and ensure its continuous and effective operation.

Section 36

1) The cooperative is responsible for the rational use and protection of natural resources.

2) Natural resources being public property, the cooperative must pay the established fees for their use.

Section 37

The cooperative is obliged to use the wastes from its economic activity economically and efficiently as secondary raw materials or sources of energy, or it must provide conditions that will enable others to use its wastes in their economic activity. To this end the cooperative must maintain records of its wastes, collect them at suitable sites, and protect them from deterioration or theft. If the wastes cannot be used in economic activity, the cooperative is obliged to dispose of them in a manner that will not pose a threat to the living environment.

Section 38

In implementing measures to enhance and protect the living environment, and in using natural resources efficiently, the cooperative collaborates closely with the national committee concerned.

Section 39. Information System

1) Pursuant to generally binding statutory regulations, the cooperative is obliged to gather and process socio-economic, scientific, technical and economic information, as well as information for planning and preparing the state budgets (hereinafter "information").

2) The cooperative is obliged to supply information to the pertinent agencies within the specified time limits, and to ensure that the information is reliable.

3) Information may be requested from the cooperative only to the extent, and in the manner, specified by generally binding statutory regulations.

Section 40. Control

1) The cooperative is obliged to develop an effective control system; to ensure systematic control particularly of product quality and of the protection of cooperative property; and to monitor the course of its own economic activity. Control must be exercised as an integral part of management. It must serve to strengthen management and contribute toward reconciling the cooperative's development with the interests of society and those of the cooperative's members as a group.

2) The cooperative's activity may be audited only by agencies whose control functions are regulated by law. Audits must contribute toward raising the efficiency of the cooperative's economic and social activity.

Section 41. Annual Financial Statement

The cooperative is obliged to maintain accounts in the prescribed manner, and to prepare an annual financial statement, which it must submit to the appropriate administrative agencies and to its bank.

Section 42. Wages and Bonuses

1) The cooperative pays its members and employees on the basis of performance. The amount of remuneration depends on the cooperative's economic results, and on the personal contribution of the individual member and employee to the cooperative's economic results.

2) On basic issues concerning remuneration, the cooperative collaborates closely with the trade-union committees, in accordance with their scope of authority. In the case of cooperatives where membership also involves employment, the cooperatives act in accordance with their bylaws.

Section 43. Concern for Qualifications

1) The cooperative concerns itself with the process of education and training, and it provides support and assistance to schools and educational facilities. It does so

with preferential orientation on modernizing the content of education and training for future professions, taking into consideration its own economic needs.

2) In accordance with its own needs, the cooperative recruits students to study in secondary vocational schools. Furthermore, in accordance with society's interests, it provides the material, technical, personnel and other conditions necessary to train youths for blue-collar occupations. The tasks associated with training youths in secondary vocational schools are handled by the cooperative unions, with the cooperatives' active participation.

3) The cooperative concerns itself with upgrading the qualifications of its members and employees. It does so in collaboration with the cooperative union and the Central Council of Cooperatives. These bodies maintain training facilities and collaborate with schools and other educational and training institutions.

Section 44. Consolidation Program

1) For the cooperative that is unable to make ends meet, the appropriate cooperative union may provide financial resources and make their use contingent on the cooperative's accepting the special rules of management the union imposes.

2) The special rules of management mean that the cooperative is assigned a consolidation program for a specified period of time, and the cooperative's implementation of this program is monitored.

3) A consolidation program is a set of economic, technical, organizational, personnel, social and other measures aimed at restoring the cooperative's ability to fulfill its economic functions.

Part VII. Types of Cooperatives

Section 45

Cooperatives within the meaning of the present law are, respectively, housing cooperatives, consumer cooperatives, producer cooperatives, and other cooperatives.

Section 46. Housing Cooperatives

1) Housing cooperatives provide primarily organized planning, construction and management of residential and nonresidential buildings, and housing-related services.

2) Housing cooperatives help to develop the material conditions of housing for individuals, and participate in planning comprehensive housing construction.

3) In the course of performing their tasks, housing cooperatives plan and provide:

a) The construction of apartments in cooperative buildings, and of family homes and garages;

b) The maintenance, repair, remodeling and modernization of residential property;

c) Plant and equipment for the maintenance and repair of homes and nonresidential areas, and for housing-related services;

d) Housing-related services for their members;

e) Paid housing-related services for individuals and organizations.

4) Housing cooperatives undertake the operation and management of cooperative buildings, and help to achieve that the use of apartments, homes and shared installations contributes toward reinforcing the rules of socialist intercourse.

Section 47. Consumer Cooperatives

1) Consumer cooperatives provide primarily services in the areas of retail and wholesale trade, public catering, accommodations, and tourism, as well as other services for individuals and organizations.

2) Consumer cooperatives undertake also food-industry or other production associated with their activity.

3) Consumer cooperatives also purchase and sell farm and forestry products, and make home-made or other goods with which they can upgrade services for individuals and organizations.

Section 48. Producer Cooperatives

1) Producer cooperatives undertake primarily the production of consumer goods, custom-made goods, repairs and other services for individuals and organizations, the production of handicraft, artistic handicraft and folk-art articles, and possibly other production for the domestic and foreign markets.

2) Producer cooperatives may establish their own network of retail outlets and showrooms.

3) Producer cooperatives in their activity make use of also local raw and processed materials.

4) Producer cooperatives, particularly the producer cooperatives of disabled persons, see to it that persons whose ability to work is impaired are included in the work process.

Section 49. Other Cooperatives

In addition to the housing, consumer, and producer cooperatives, other cooperatives may also be formed that provide services for individuals, cooperatives and

other organizations (for example, auditing and book-keeping, writing computer software, planning and managing capital construction projects, and possibly other services).

Part VIII. Cooperative Unions

Cooperative Unions' Formation, Status, Scope of Authority

Section 50

1) In accordance with society's interests to intensify their mutual collaboration and collaboration with other organizations, cooperatives join the cooperative unions of the CSR and SSR respectively.

2) Formation of a cooperative union requires a congress resolution to found the union, adoption of bylaws, and election of the union's bodies.

3) The cooperative union can cease only by a resolution of its congress.

Section 51

1) The cooperative union is a legal entity. It can enter into contracts in its own name and is responsible for the obligations ensuing from such contracts.

2) As members of the union, the cooperatives have equal rights and obligations.

3) The member cooperatives pay contributions to finance the activity of the union. The congress determines the amount of the contributions.

4) Unless regulated by law, the rights and obligations of the union's members, the scope of authority of the union's bodies, the method of its management, and other questions of the union's activity and organizational structure are regulated in the bylaws.

5) The union's bodies and officers are elected to a term of office that is five years at most.

Section 52

The cooperative union:

a) Creates the prerequisites for the cooperatives' comprehensive development. Namely, it helps the member cooperatives professionally to secure their tasks and perfect the methods of their activity; organizes the exchange of practical experience among the cooperatives; helps to apply the results of research and development to practice; drafts conceptual plans for developing the individual activities and provides the prerequisites for implementing them;

b) Participates in preparing forecasts and conceptual plans of society's economic and social development, especially from the viewpoint of utilizing the cooperatives' potential;

c) Where cooperatives are involved, ensures the training of youths in secondary vocational schools, and handles the tasks concerning health insurance and recreational services;

d) Discusses problems common to the member cooperatives and represents them in such matters;

e) To meet the specific needs of the member cooperatives, sets up special-purpose funds in the amounts, and in the manner, specified by the congress; the unspent balances in these funds may be carried over into the next calendar year;

f) Audits the operations of the member cooperatives, pursuant to generally binding statutory regulations;

g) Establishes cooperative enterprises and acts as their founder;

h) When necessary, designs a consolidation program for a member cooperative;

i) Performs other tasks as specified in the upresent law and other laws.

Section 53

The cooperative union sees to it that all resources that the state provides for the cooperatives through the union, as a means of achieving the objectives of government policy in the cooperative system, are used in a planned manner.

Section 54. Congress of Member Cooperatives

1) The cooperative union's governing body is the congress of member cooperatives, which is convened at least every five years. The congress sets the principal directions for developing the activity of the cooperatives and union respectively, and it approves the union's bylaws and their modification. It elects the full members and candidate members of the union's central committee, and the full members and candidate members of the union's control commission. The congress itself determines the method of their election.

2) The congress of member cooperatives has to be convened if at least a third of the member cooperatives so request.

Section 55. Cooperative Union's Central Committee

1) The cooperative union's central committee implements the tasks set by the congress, and other principal tasks within the union's scope. For its activity the central committee is accountable to the congress, to which it presents reports on the union's activity and management.

2) The central committee elects the union's chairman, deputy chairmen, and the other members of the board. The central committee determines the method of election. The board is the union's statutory executive body.

3) For the fulfillment of its tasks, the central committee may also establish auxiliary bodies.

Section 56. Cooperative Union's Control Commission

1) The control commission is the union's oversight body. It oversees: compliance with the union's bylaws; fulfillment of the resolutions adopted respectively by the congress of member cooperatives, the union's central committee, and the board; and the finances of the union, including the use of the joint special-purpose funds administered by the union. For its activity the control commission is accountable to the congress, to which it presents reports on the results of its activity.

2) The control commission elects a chairman from among its members. The commission itself determines the method of his election.

Section 57. Cooperative Union's Additional Authority

The cooperative union has authority:

a) To suspend implementation of a resolution adopted by a member cooperative's body, if the resolution is in conflict with generally binding statutory regulations or with the cooperative's bylaws;

b) To rescind the resolution adopted by a member cooperative's body, if implementation of the resolution has been suspended and the cooperative fails to remedy the resolution within the specified time limit.

Part IX. Central Council of Cooperatives

Section 58. Status of the Central Council of Cooperatives

1) The cooperative unions of the CSR and SSR join the Central Council of Cooperatives.

2) The cooperative unions remit contributions to finance the activity of the Central Council of Cooperatives. The Congress of the Central Council of Cooperatives determines the amount of the contributions.

3) The Central Council of Cooperatives is a legal entity. It can enter into contracts in its own name and is responsible for the obligations ensuing from such contracts.

4) Unless regulated by law, the rights and obligations of the members of the Central Council of Cooperatives, the scope of authority of its bodies, its method of management, and other questions concerning its activity and internal organization are regulated in the bylaws of the Central Council of Cooperatives.

5) The term of office to which the bodies and officers of the Central Council of Cooperatives are elected is at most five years.

Section 59. Scope of Authority of the Central Council of Cooperatives

1) The Central Council of Cooperatives:

a) Cares for the comprehensive development of the cooperative system and discusses its common affairs;

b) Coordinates the activities of the cooperative unions, ensures the exchange of experience and information among them, and discusses their common affairs;

c) Establishes cooperative enterprises, including cooperative enterprises for foreign trade, and acts as their founder;

d) Organizes training courses to upgrade the qualifications of the Czechoslovak cooperative system's officers and employees, as well as for the officers and employees of foreign cooperative systems;

e) In accordance with the specific needs of the Czechoslovak cooperative system, sets up common special-purpose funds, in the amounts and manner specified by the Congress of the Central Council of Cooperatives. The unspent balances in these funds may be carried over into the next calendar year;

f) Performs other tasks specified by the present law or other laws.

2) The Central Council of Cooperatives represents the Czechoslovak cooperative movement at home and abroad.

Section 60. Congress of the Central Council of Cooperatives

1) The governing body of the Central Council of Cooperatives is its Congress that is convened at least every five years.

2) The Congress of the Central Council of Cooperatives sets namely the principle directions for developing the Czechoslovak cooperative system and approves the

bylaws of the Central Council of Cooperatives and their modification. It elects the full members and candidate members of the Committee of the Central Council of Cooperatives, and the full members and candidate members of the Control Commission. The Congress itself determines how they are elected.

Section 61. Committee of the Central Council of Cooperatives

1) The Committee of the Central Council of Cooperatives implements the tasks set by the Congress, and other principal tasks of the Czechoslovak cooperative system. For its activity the Committee of the Central Council of Cooperatives is accountable to the Congress, to which it presents reports on the activity and management of the Central Council of Cooperatives.

2) The Committee of the Central Council of Cooperatives elects the chairman and deputy chairmen of the Central Council of Cooperatives, and the other members of the Board, which is the statutory executive body of the Central Council of Cooperatives. The Committee of the Central Council of Cooperatives determines how they are elected.

3) For the fulfillment of its tasks, the Committee may also establish auxiliary bodies.

Section 62. Control Commission of the Central Council of Cooperatives

1) The Control Commission is the oversight body of the Central Council of Cooperatives. It oversees: compliance with the bylaws of the Central Council of Cooperatives; fulfillment of the resolutions adopted respectively by the Congress, the Committee and the Board of the Central Council of Cooperatives; and the finances of the Central Council of Cooperatives, including the use of the special-purpose joint funds administered by it.

2) The Control Commission elects a chairman from among its members and determines how he is elected.

Part X. The Cooperative Enterprise and Association

The Cooperative Enterprise

Section 63. Legal Status of the Enterprise

1) The cooperative enterprise is a socialist organization that conducts its activity independently, on the principle of full profit-and-loss accounting and on the basis of socialist self-management.

2) The cooperative enterprise is a legal entity. It can enter into contracts in its own name and is liable for the obligations ensuing from such contracts.

3) The cooperative enterprise is not liable for the obligations of the founding cooperative organization, and the latter is not liable for the obligations of the cooperative enterprise.

Section 64. Cooperative Enterprise's Founding, Commencement, and Dissolution

1) A cooperative enterprise may be founded by a cooperative, a cooperative union, the Central Council of Cooperatives, or by several of these cooperative organizations jointly.

2) The creation of a cooperative enterprise founded by a cooperative organization requires the standpoint of the national committee on whose territory the cooperative enterprise is to be located; the provisions of Sections 18 and 19 of the Law on the State Enterprise apply in like manner to cooperative enterprises.

3) If a cooperative enterprise is being founded by several cooperative organizations, they conclude a contract for founding the cooperative enterprise.

4) The contract for founding a cooperative enterprise must contain:

a) The name and location of the founding cooperative organizations;

b) The name and location of the cooperative enterprise;

c) The object of the cooperative enterprise's activity and its internal organization;

d) The rights and obligations of the founding cooperative organizations;

e) The form and amounts of the founding cooperative organizations' contributions;

f) Provisions for covering the costs associated with the object of activity, the method of sharing the profit, and provisions on bearing the cooperative enterprise's loss;

g) The settlement of obligations when the cooperative enterprise ceases or when a founding cooperative organization withdraws.

5) The application for entering in the enterprise records cooperative enterprises founded by contract is filed by one of the founding cooperative organizations, designated in the contract for founding the cooperative enterprise.

6) The provisions of Sections 21-24 of the Law on the State Enterprise apply in like manner to the cessation of the cooperative enterprise.

Section 65. Cooperative Enterprise's Officers, Governing, and Executive Bodies

1) The enterprise is headed by a director (or other chief executive) who direct the enterprise's operations as the sole general manager. He is accountable to the founding cooperative organization and to the enterprise worker collectives, for the enterprise's operations and their results.

2) As the statutory officer of the enterprise, the director acts in the enterprise's name in all its affairs.

3) The provisions of Sections 25-35 of the Law on the State Enterprise apply in like manner to the cooperative enterprise's officers, governing and executive bodies, and socialist self-management. If the enterprise has been founded by contract, its provisions take precedence.

Section 66. Cooperative Enterprise's Internal Organization

1) The enterprise bylaws or other enterprise rules of organization and, in the case of enterprises founded by contract, also this contract regulate the enterprise's internal organization.

2) When the enterprise has subdivisions, the enterprise bylaws or other enterprise rules or organization may determine the limits within which a subdivision may enter into contracts in the enterprise's name. The manager of the subdivision, or also other executives specified in the enterprise bylaws or other enterprise rules of organization, act for the enterprise.

3) Unless the founding cooperative organization specifies otherwise, the enterprise has authority to issue its bylaws or other enterprise rules of organization.

Section 67

The provisions of Sections 25-44 of the present law apply in like manner to cooperative enterprises.

Section 68. Common-Interest Associations

1) Cooperatives and cooperative organizations may voluntarily pool their resources and activities to achieve a specific objective or for some other common interest. Other organizations may also participate in the association.

2) The provisions of Section 53, Paragraphs 2 and 3, and of Sections 54-56 of the Law on the State Enterprise apply in like manner to common-interest associations.

Part XI

Section 69. Common, Temporary, and Final Provisions

1) The appropriate central agencies will discuss with the cooperative unions and the Central Council of Cooperatives the drafts of laws and other generally binding statutory regulations affecting the cooperative system.

2) Unless specified otherwise below, the provisions of the present law apply also to legal relationships established before 1 July 1988. However, the existence of such legal relationships, and the claims arising from them, will be judged on the basis of the regulations that have been in effect up to now.

3) The bylaws, respectively, of a cooperative, a cooperative union and the Central Council of Cooperatives will cease to be valid when they adopt new bylaws, but on 31 December 1988 at the latest.

4) The Committee of the Central Council of Trade Unions will issue bylaws of the Central Council of Cooperatives that are in harmony with the present law; and the central committees of the cooperative unions will issue union bylaws that are in harmony with the present law. And they will do so by 31 December 1988.

5) Not later than 31 December 1988, the founders will harmonize with the present law the charters and articles of association of the cooperative enterprises, respectively the common-interest associations, that were founded on the basis of the regulations that have been in force up to now.

6) Until their respective next congress, the central committee of the cooperative union and the Committee of the Central Council of Cooperatives will exercise the authority of the congress of member cooperatives pursuant to Section 51, Paragraph 3, and Section 52, Item e), and the authority of the Congress of the Central Council of Cooperatives pursuant to Section 58, Paragraph 2, and Section 59, Paragraph 1, Item e).

7) The validity of the binding directives issued by the cooperative unions, respectively by the Central Council of Cooperatives, pursuant to Section 87, Paragraph 1, of the Economic Code, namely on questions of planning, financing and management, will cease the day the cooperative unions and the Central Council of Cooperatives adopt their new bylaws, but on 31 December 1988 at the latest.

8) For the period until 1990, the cooperative unions and the Central Council of Cooperatives—acting in agreement with the Federal Ministry of Finance; the Czech and Slovak Ministries of Finance, Wages and Prices; the State Planning Commission; and the Czech and Slovak

Planning Commissions—may issue, to the extent necessary and in agreement with the present law, binding directives regulating the planning, finances and management of the cooperative organizations over which they have authority.

9) With the approval of their respective governments, the Czech and the Slovak Unions of Housing Cooperatives may issue model bylaws for housing cooperatives.

10) In Section 508 of the Civil Code, Paragraph 2 is hereby deleted, and the numbering of Paragraph 1) is omitted.

Section 70. Effectiveness

The present law becomes effective 1 July 1988.

Footnote

1. The Economic Code No 109/1964 Sb, as modified and amended by subsequent regulations.

1014

Trade Unions Accused of Passivity in Wage-Setting Decisions

24000107 Prague PRACE in Czech 4 Jun 88 p 1

[Editorial: "For More Consistent Application of Principles"]

[Text] If we now emphasize that in the interest of an accelerated socioeconomic progress the correlations between performance and wages must be expressed more precisely and that the unwholesome tendencies toward equalization of wages must be overcome, it does not mean a retreat from the socialist principles of distribution—as we may occasionally hear—but rather an effort to apply those principles more consistently.

Equality among people in socialism does not mean—nor can it mean—that everyone must receive more or less the same income; it means that everyone should be rewarded according to the same criterion—i.e., according to the quality and quantity of his or her socially beneficial work. Such concept of equality agrees, after all, with the innate human sense of justice, and from the historical point of view, it represents a great achievement of the socialist social order. It is quite another story how this wholesome principle is practiced in our daily life and what is being done to enforce and implement it effectively wherever the situation warrants. Precisely this topic was discussed at the third plenum of the URO [Central Council of Trade Unions]; it involves problems that have not been completely resolved or that are not understood properly. To make a long story short—the attempts to deal with various symptoms of egalitarianism have not been successful. As Mikulas Litvak from the Military Construction Company of the ZTS [Heavy Machinery Enterprises] in Prague noted, one way to the

elimination of egalitarianism calls for the "application of *khozraschet* [cost accounting] in every workplace, in order to involve every individual and in fact, to turn every person into a manager—and furthermore, to guarantee everybody some share of the resulting savings." What we now need is to better differentiate between the wages paid to outstanding, average, and below-average workers and to encourage the "cult of honest labor" and the prestige of the most productive workers, and naturally, also to improve labor productivity.

Josef Hampl, hero of socialist labor, eloquently described the aversion of honest, conscientious workers to the outdated egalitarian reward system. He said—to paraphrase his words: Socialism is not so weak as to fail to reward people who are making great contribution, but we have to find some way to stop paying loafers who are not willing to lift a finger rewards based on other workers' achievements; we must pay them just rewards according to their own merit....

Surveys conducted by control agencies as well as workers' experience have shown that certain managers who underestimate these issues and keep dodging them are responsible for the greatest shortcomings in the implementation of the principle of rewards according to merit. The discussions at the third plenum of the URO revealed that instead of seizing the initiative and pressing the management to correct the situation, our trade union organizations only passively register the wage-setting policies, or clamor for higher wages regardless of actual labor achievements. Moreover, managers, especially foremen in many locations are still reluctant and unwilling to enforce greater differentiation of wages paid to work teams according to merit in workplaces with favorable technical and organizational conditions for the team method of labor organization and wage-setting. Furthermore, few managers are taking advantage of such opportunities as job vacancies to assign the workload and to divide part of the saved wages among the rest of workers who have to do the work of the missing employees or make up for the reduced workforce. Obviously, it is easier to find excuses for tardy fulfillment or nonfulfillment of tasks by repeating the shopworn story about the "shortage of workers."

This, too, is an area where our trade unions must get going. If the hesitant, half-hearted, haphazard method of wage-setting on the basis of the quality and quantity of one's achievements may occasionally be excused in view of our complex wage regulations and labor laws, managers should not be permitted to miss an opportunity to enforce non-egalitarian, differentiated wage policies.

Naturally, appropriate trade unions must address problems related to such sensitive issues as, for instance, rewards, if the next stage of our economic reforms calls for it. However, nobody can absolve our managers of their personal responsibility and initiative in efforts to eradicate the unhealthy egalitarianism in wage-setting.

09004/06662

HUNGARY

National Assembly Official Calls for New Constitution

25000207c Budapest MUNKÁ in Hungarian No 6, 1988 pp 30, 31

[Article by Dr Imre Takacs, professor, member of the Constitutional Council of the National Assembly: "Constitution and Parliament"]

[Text] "The need to modernize the Constitution will be expressed under new conditions in our day." This was stated in the theses issued for debate by the Central Committee of the Hungarian Socialist Workers' Party in January of this year. The program circulated for the May party congress also mentioned the question of the Constitution. Without considering the necessity of recreating the Constitution as already decided, it is clear that in the present situation certain rights and guaranteed principles connected with the operation of government must be formulated at the constitutional level, and those political principles must be declared that relate to the operation of organizations of state and society in the future.

A socialist state provides a repository for national power and for the setting of common goals for society through the resources of the state. In the course of debate on the role of the state, the conclusion has been reached that there has been too much intervention by the state in the formation of social relationships during the building of socialism up to this point. We have overestimated the effectiveness of state resources, especially the role of the state in regulating and in establishing responsibilities. Concerns have also been increased by the state's weakness in controlling society, representative bodies that function in only a formal manner, and frequent clashes between the spheres of influence of state organs and party organs that give political direction. The content and methods of political direction must be clarified on the basis of these experiences. The Constitution should declare in principle the required relationships between the system of political institutions and the state organs. Instead of stereotyped forms of party direction and leadership of governmental organs, greater weight must be given to politicization and greater use of representative bodies. This requires that social interests be expressed through representation, conflicts expressed in debate, and the role of representatives be increased. It can be expected that responsibility of executive organs to the representative bodies that choose them will increase and will be possible to realize. The constitutional principles that relate to the sphere of influence of the representative bodies and the subordination of executive organs must be implemented. Thus, Parliament must gradually become the locus of politicization; its role

cannot be limited to legitimizing recommendations presented to it, but by exercising a real decision-making function Parliament should set the direction for the life of the state and every sector of state activity.

The function of representation in expressing interests requires further development of the electoral system; in addition to the system of electoral districts expressing area interests, the interests of various sectors and occupations must also be brought into the decision-making mechanism of legislation.

Regarding the electoral system, the system of consultations that precedes nomination needs more precise regulation; social organizations, including trade unions, need to have a role in selecting candidates and in uniting opinions regarding persons to be nominated. This has to be mentioned in the fundamental law, because it concerns a fundamental element in the political system.

The authors of certain recommendations are trying to promote the function of expressing interests by an organizational division of the National Assembly. Thus the notions of a bicameral legislature and of eliminating the authority of the organ that replaces the National Assembly have arisen. In this case, the national register [of candidates] would come to an end. The members of the second chamber would be chosen by social organizations, including industrial unions and the SZOT [National Council of Trade Unions].

Convening of the National Assembly has been justified by, among other things, the need to create a new parliamentary body, the presidency, vested with power to make recommendations regarding the agenda for the session. At the same time, it has been recommended that the Presidential Council, which has overlapping areas of influence, be given with independent areas of influence. (Such as supervision of the legal privileges connected with the operation of churches, supervision of national minority associations, etc.) There is also the idea of returning to implementation of the single-person office of head of state as some other socialist states have done.

The constitutional legal status of organs responsible to Parliament that exercise executive power also need to be defined more precisely. It could be expanded by setting a limit to the time a government is authorized to stay in power; the method of selecting a government could be regulated more precisely so that the prime minister would receive a constitutional right to submit proposed names of members of the government. There has been talk about regulating questions of confidence as a collective right of the representatives or groups of representatives and sending out parliamentary investigative committees. The positive development experienced in the activity of the National Assembly during the past decade gives sufficient basis for concluding that conditions are ripe for implementing socialist parliamentary government. This would really be a worthy form for a people's democratic system that has assumed the task of building

socialism to take. Debate is under way on making some of the representatives independent. (This would not apply to representatives who work in a free labor organization, have free intellectual careers, or are employed in the political sphere.)

We adopted the fundamental principles relating to the organizational division of socialist state structure in 1949 from the Soviet constitution of 1936, rejecting bourgeois democratic principles for organizing a state. We discontinued those peculiar forms of organization that did not appear in this model (the parliamentary organ for controlling expenditures, the administrative court, local self-government). Since then, analyses in the literature have repeatedly demonstrated that in reality socialist state organization is quite different from that which the Constitution reflects in a simplified manner. I will mention only two examples: the Constitution does not contain regulations for a system or organizational forms for control nor for arbitration committees for labor matters in enterprises that would work to settle labor disputes.

Problems regarding constitutional regulation of civil rights have been raised in many places. Basic civil rights have been expanded with the new family law, the law regarding the press and publicity, rules about entrepreneurs and crafts, and by extension of rights of real property and residences. We can say that the basic civil rights contained in written laws correspond more and more closely to the human rights listed in international agreements. Our internal progress makes it possible to continue our efforts to implement without exception the legal principles included in the moral and political concepts of human rights. We need to increase assurances of social equality of opportunity and to guarantee certain rights, for this reason, the basic rights must be formulated at the constitutional level, and we must insure that their detailed regulation belongs exclusively to the legislative sphere of influence. Regulation of civil rights through the Constitution will promote greater social activity on the part of the citizens, individual and group action, and enliven the operation of autonomous forms.

Some of the things that are waiting to be included in the Constitution are: fixing of economic relationships covering conditions vital for the existence of society, expression of the relationships of production that have been developed in today's agricultural system, regulation of the forms of property, and establishment of the fundamental principles of economic direction. It is true that dynamic changes in the economy do not tolerate well constitutional rules that are intended to be lasting. And there is no thought that the Constitution should impede development of society's economic foundation, but rather assist through guaranteed rules the strengthening of individual and group interests, and making room for individual initiatives and undertakings that promote the interests of society.

9611

Minister of State Function, Purpose Explained
25000207b Budapest KEPES 7 in Hungarian
4 Jun 88 p 9

[Article by Maria Adamcsik, under the rubric "In 64 Lines": "About the Minister of State"]

[Text] Karoly Grosz, prime minister and general secretary of the MSZMP, announced in an interview with MAGYAR HIRLAP that the position of minister of state will soon be filled.

We asked Dr Imre Takacs, director of the Institute of Continuing Legal Education of the University of Budapest, what the title minister of state covers.

[Answer] In the formation of governments in bourgeois nations, we frequently encounter ministers without portfolio who in coalition governments represent smaller parties that do not control enough votes to earn a place at the head of some department. They are given general political assignments, but do not direct a ministry. In Hungary, the minister of state is essentially an equivalent of this.

[Question] Does the Constitution permit filling the post of minister of state?

[Answer] Yes, there is no obstacle to this. This function was mentioned even in the Constitution of 1949, and the constitutional changes of 1972 left it in place. So, if the political situation demands it, the government can make use of this opportunity at any time. In addition, the concept of minister without portfolio is not unknown in the history of our country. Gyorgy Marosan participated in the work of the government for several years, mainly serving in activities involving political coordination. Ferenc Munnich was entrusted with tasks of state administration and organization of the executive branch at the request of the prime minister.

[Question] Why is the post being filled at this exact time?

[Answer] In complex periods of history it was often necessary to solve personality problems or because the work of a particular individual was required without entrusting him with administering a portfolio. The party congress has now started a new historical period that will also involve changes in personnel requiring that this post be filled.

[Question] What are the duties of the minister of state and who can give him assignments?

[Answer] Many kinds of variations can be given to this position. The minister of state can perform political work, coordinate activities, facilitate cooperation between departments, and/or maintain contact with

organizations in society. In the present historical situation, this will always be decided by the government. The National Assembly can also make such assignments, but between sessions the Constitution gives this authority to the Presidium.

9611

**Miklos Nemeth: Party Seeks More Openness,
Public Input**

*25000207a Budapest KEPES 7 in Hungarian
4 Jun 88 p 8*

[Interview with Miklos Nemeth, member of the Political Committee and chairman of the MSZMP working committee, by Agnes Laszlo, under the rubric "Kepes 7 Asks": "When Will Central Committee Sessions Be Public?"]

[Text] On 22 May, immediately after the party congress, the newly reelected Political Committee of the MSZMP [Hungarian Socialist Workers Party] held a working discussion. We learned about this from Miklos Nemeth, a new member of the Political Committee and chairman of the MSZMP working committee on economic policy.

[Answer] The group considered that the party had presented itself before the nation and the world as a mature party, ready for debate, and that the congress had been characterized by a reflective and sincere atmosphere, responsibility, and a willingness and readiness to act. From the speeches it became clear to all of us that the membership definitely demands a role in the formation of policy. The method of this participation must be worked out very quickly in the knowledge that there has been success in achieving agreement on fundamental issues. This can be sensed in the resolution which calls for modernization of the system of political institutions and acceleration of reform, in addition to creation of a freer system of management conditions than exists today. The Central Committee must be transformed into a workshop for creating and debating a platform, and more time must be devoted in the Political Committee to politics. All of this must be done not behind the backs of the people, but just the opposite, relying on the strength of the public, which, though not without risk, is always a reflection of the leadership.

[Question] According to that, can one imagine that in the future the "message" of decisions can be found somewhere else besides between the lines of a brief, general announcement?

[Answer] I can't give a precise answer as to how, but it is certain that we will change the party's internal information system. In addition, we shall continue to give an important role to meetings at various levels where the membership can bombard the leadership with new suggestions and ideas. We want to continue the debate

about property relationships, interdependencies between the structure of society and the political system, as well as the mutual influence of the economic and social environments.

[Question] Hearing this for the first time, I feel that these approaches to the problems are too theoretical.

[Answer] But they impact on very concrete, vital questions, for example the questions of what is meant by pluralism, the superstructure system, and export-oriented policy, and what new situation will be created when the law on societies comes into effect, income derived from capital is legalized, the banking system is further reformed, and the bankruptcy law is applied consistently. But I think that other questions also belong here, such as how we can break with cadre politics that select the unfit, how we can achieve the practice of open accounting at all levels, and how to let integration of interests be determined not by hierarchical dependencies and personal relationships but by the laws of the marketplace.

[Question] So you see clearly the economic and political mistakes and errors that led to the nation's indebtedness?

[Answer] In their complete depth, naturally not yet. For this reason, there is being prepared a precise, critical analysis of the past decade and a half, the "history" of the origin of our debt, and how it should be handled in the future. But we do know already, for example, that we criminally neglected the development of the infrastructure, that we never implemented the reform decisions of 1966, that we adopted a grotesque, overmonopolized management style, and that most of our losses stem from profits unrealized because of inflexibility and bureaucratism. And we also know one more thing: the new leadership is not composed of infallible people either. We therefore have need for an advisory body, independent of the Central Committee, that will assist the work as an unsparing, sincere partner.

9611

**Open Letter Announces Enterprise Withdrawal
From Socialist Market**

*25000235 Budapest HETI VILAGGAZDASAG
in Hungarian 16 Jul 88 p 8*

[Full text of letter by Adam Angyal, president of Ganz Danubius Ship and Crane Works; excerpt from unattributed article: "Open Letter to the Minister"]

[Excerpt] To Comrade Jozsef Marjai, deputy prime minister, minister of commerce, Budapest:

Dear Comrade Marjai!

I am informing you that our enterprise council has accepted my recommendation that our various manufac-

turing plants be organized so as to become independent and not burden one another with their possibly unfavorable achievements. I am compelled to take this step because because our enterprise's economic situation has become critical, our operations may show a loss and banks are unable to provide financing as a result of measures tightening the money supply. On the basis of my analysis, I concluded that the state's approach to, and managing of, socialist exports—and within that exports to the Soviet Union—played a decisive role in bringing about this situation. For this reason I am compelled to call your attention, as the highest state level director of this branch of industry, to the conduct we must bear in regards to this issue.

We may establish the fact that as a result of the joint application of exchange rate policies on the one hand, and CEMA pricing principles on the other, enterprises which export to socialist countries receive in forints only one-third of the value represented by the goods these enterprises export, and by the goods they import in exchange. As a result of state decisions, a well defined group of entrepreneurs is forced to accept these low levels of earnings irrespective of actual market conditions. The situation of these exporters is also aggravated by the fact that financial bridging and price compensation mechanisms designed to adjust domestic and CEMA price differentials are designated in political and mass communication vernacular as subsidies whose discontinuation is urged. As a result, we must withdraw from the socialist export market despite our obligations through interstate agreements. Our withdrawal from these markets, however, takes place not because we lost our customers' confidence or because demand for our products has dropped. We are withdrawing fundamentally as a result of state intervention. These policies are alien to the idea of entrepreneurship. In our case, these policies are destroying an almost 50-year-old outstanding market relationship. From the standpoint of an exporting enterprise this may represent adaptation to the requirements of domestic regulations, an adaptation which nevertheless lacks perspective and is contrary to conduct conforming with the marketplace. Aware of the situation of our enterprise, I am calling your attention to the damage caused to the Hungarian economy by the destruction of a huge market and by the counterdevelopment of an industrial culture. I request that you use every means to stop the continuation of the processes described in this letter—processes of which you are well aware. I am certain the socialist assets that evoked this specific situation cannot be managed by holding back exports. It can be managed by macroeconomic solutions, primarily through credit conditions, in a manner to bridge the temporary tension without forcing the actors in the marketplace, the entrepreneurs, to destroy their established positions. Delivery conditions established earlier with respect to socialist markets are rather conservative anyway. They do not reflect true market conditions and customs and, thus, the lack of these conditions and

customs (advance payments, installment payments, credits, etc.) further limit the possibility of resolving tensions.

As I indicated in the introduction of this letter, we will not compensate the losses suffered by our manufacturing plants which do not fulfill today's requirements from the achievements of other manufacturing plants. I am convinced, however, that this will enable us to align ourselves only with the actual wave of economic regulation, and not with the marketplace which measures real achievements. We could accomplish this only if our earnings from socialist exports were accounted for at prices commensurate with world market prices, or with offsetting imports whose value represents those world market prices. Considering that our manufacturing plants are producing for convertible exports also, our withdrawal from the socialist markets will also limit our sphere of movement in other markets and will reduce the chances of structural transformation.

I request that you regard this letter as a large industrial enterprise's plea for your attention—a large industrial enterprise which, as a result of momentary economic regulation, has come into a rather difficult situation—one which accepts the task of restructuring, but at the same time recognizes that the process of restructuring lacks features conforming to the marketplace. Since, in my judgment, this letter represents not only the thinking of this enterprise but also reflects broader public thought, I feel obliged to inform you that I will attempt to forward this letter to the mass media so its contents may be known to the public.

Respectfully,

Adam Angyal

Budapest, 5 July 1988

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SZAZADVEG Profile, Table of Contents Since 1985

*25000210b Budapest SZAZADVEG in Hungarian
No 4-5, 1987 pp 39-43*

[Text]

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ELTE College of Law Becomes Center of Controversy, Dissidence

25000210a Budapest MOZGO VILAG in Hungarian
No 5, 1988 pp 39-48

[Interview with Istvan Stumpf, director, ELTE College of Law, by Attila Melykúti: "No 12 Menesi Street"]

[Text] In Budapest, Menesi Street climbs the mountain from Bela Bartok Street toward the rich countryside. A long time ago, Jozsef Madzsar and Alice Jaszi hosted progressive thinkers of the late 19th Century in the villa designated as No 12 Menesi Street. Today these premises accommodate the Lorand Eotvos University of Sciences [ELTE] College of Law. It is a specialized college, one that struggled for survival since its foundation in the autumn of 1983. More precisely, ever since its beginnings so many open and veiled hostile feelings attended the College's functions and publications that people involved with the college continuously felt that its existence was endangered. In December 1987, at the time I conversed with director Istvan Stumpf, age 30, the college community's published periodical SZAZADVEG was in the midst of cross fire. Finally, we do not conceal the fact that in preparing this interview we felt that the more than four year history of this specialized college and the related body of experience provides lessons worthy of recording, irrespective of what the future brings to that certain building on Menesi Street.

[Question] In earlier days you were a member of the Specialized College of Law formed under the auspices of ELTE on Budaorsi Road. Thereafter you became a founding member and the first director of the independent institution on Menesi Street. All this merits recording because at the beginning you were part of every moment, and even today you are the elected leader of the specialized college.

[Answer] Already in the spring of 1982, prior to finishing my studies, one of my teachers named Laci Keri gave me an opportunity to work within the framework of the youth research group of the Institute for Social Sciences. At the time I deliberately entered into a six-month contract only. I was told that my chances of winning a scientific research scholarship were good if indeed they elevate the university's political and legal theory program to the level of a department. I did get into that department; true, by then there were quite a few individuals from the previous generation who took teaching seriously and began looking around outside of the university in search for jobs where they would not have to fight windmills. Their search for new ways of self-realization had moral foundations also. They were the passive participants of quite a few unsuccessful attempts to reform higher education. I entered the university in 1982 under these deteriorating conditions with a scholarship of about 3,500 forints per month. I continued my work at the Institute for Social Sciences through the summer—I was brought up in a way so as to finish the things I started.

[Question] What environment, and mainly: what kind of family provided your basic experiences?

[Answer] I was born in the village of Herceghut, four kilometers from Sarospatak. I did not move beyond the borders of that settlement until the age of 14. We studied in the framework of combined classes—only the 7th and 8th grades were independent. I was among the last upperclassmen who attended school in that village. Those years provided a very clear and very deep sense of belonging. It was a strong Catholic village. Its traditions were highly crystallized: decent, hard work held a distinguished rank in the community's value system. The village had about 1,000 inhabitants—we had our own soccer team and I too played in the district championship games. Half the village population surrounding the soccer field on Sundays, rooting for the boys provided a great adventure. We also had a dancing and performing arts group; we appeared in neighboring villages, and there were very many dance parties. Perhaps the essence is that everyone was measured by a uniform system of values, but on the basis of a variety of requirements. In addition, there was strong control [over what went on]: Herceghut was a closed settlement. Decades ago no one from outside of the village could marry someone from that village, and people did not leave that village either. Herceghut produces grapes, which, in turn, produced sufficient wealth for that village. Villagers regularly met at church. It was a unique public forum, even if it was only a special and narrow public forum.

Volksbund activities had no effect on Herceghut. Between the two world wars a strong, pronounced 'Hungarianization' process began. As a result of this process I do not even know what it means to be Swabian. The priest was the most important 'Hungarianizer.' In the Catholic school he spanked those caught talking Swabian [German]. At the same time, in its conduct and behavior the village strongly preserved traditions which manifested themselves in the love of labor and achievement principles, even though these traditions reflected a certain rigidity of thought. These traditions thrived in the course of relatives' meetings, while plucking feathers and husking corn, and in the natural community that came about at vintage time. My cradle, for instance, was rocked between two vine props. I was taken there in a bundle, and was tied to two vine props. The wind rocked my cradle. As I stated before, the Volksbund movement did not develop deep roots in our community. Despite this fact, in the aftermath of 1945, part of the village's working men and women was taken to perform forced labor—one cannot call that work otherwise. My grandfather too was taken to a coal field. Soviet troops took approximately one third, or 300 of the villagers. If they could not find men, they took women who were capable of working. These people returned after three years, more or less—those who managed to return, that is. Some were crushed by mine cars, others suffered different injuries. My grandfather told me about the three years of hard labor. It is unfortunate that he passed away. He could have told us much more of those years. This

experience provided a solid foundation for our villagers to say that politics must be something terrible. It is not worth dealing with politics, one should keep away from politics. But along with this idea there was another command demanding that one must accurately meet the prevailing needs. One must respond to the compulsory system of deliveries to the state; one must provide bread to our buddy Rakosi, and some people must attend the ceremonies at Sarospatak. In other words: one must not involve himself thoroughly in this entire matter, but a formal party organization must be established. As long as there exists a party organization there also must be a party secretary—one who will attend church on Sundays just as the other villagers. Accordingly, only the formalities of political life manifested themselves.

There was KISZ, and I served as the village KISZ secretary. Our club represented the alternative to the church and the taverns. A room at the firehouse served as our club room. We organized competitions, put together TV sets, played "csocso" and held lectures. We knew that it would be proper to treat as our guests the higher level KISZ members if they were to come around from Satoraljaujhely, and to tell them the magnificent things that took place in the village. This mechanism provided an excellent practice for these rituals, while from our viewpoint the local ties served as determinants. I still have difficulty interpreting just what the total relationship was between the village and the prevailing system. I am certain, however, that religion has a outstanding role in sustaining and reproducing a sense of solidarity, human decency and honesty. This is particularly so in these days when Hungarian society is in a state of moral decay.

Accordingly, it was this system of values from the village that I brought along to college and to the university. I was accepted at the second try. At first I applied in Szeged. On the admissions exam the main question posed by the professor of international law was whether they served dinner after soccer games. Having been rejected I served for one year as a ramrod at the Satoraljaujhely railroad headquarters, in the capacity of traffic reserve for the Hungarian State Railroads [MAV]. Following my admission to the University of Budapest I became one of the 1,300 students of ELTE's college at Budaors. I regard that period as a secondary socialization process which offered several choices in lifestyle. Among other things, drinking in taverns and partying were fashionable in those days. At the same time I was also influenced by the impact of the specialized colleges started in the late seventies. At Laci Keri's initiative, a communication model which was novel as compared to [traditional] university education became available to 30-40 law students. Political science was evolving in those days, for instance. Among others, we invited Mihaly Bihari, Kalman Kulcsar and Gyula Orsi, then rector of the university. While university education stressed the need to lick the educational material provided, in the evenings we tried to develop our preparedness to gather information, to read and to think. In this

sense then, specialized colleges in general made an attempt to respond to the shortcomings of the educational system.

[Question] What kinds of shortcomings are you talking about? Could you describe in general terms what the purpose of today's higher education is, and which of those purposes are you able to realize, using what methods?

[Answer] One of the fundamental problems is that a large part of the institutions of higher education do not build their programs on the premise that people must be taught how to think and how to obtain information. They do not produce critically minded, professionally well-prepared, open personalities. This kind of personality is not even deemed desirable by a centrally directed power structure in which stability of power represents the most important value, and correspondingly, in which from the top down administrative directives and means play a decisive role. Such systems are not likely to tolerate situations in which citizens wish to regularly express their independent opinions, and particularly not if such opinions assume a critical approach, and if citizens articulate such opinions in an organized form. Accordingly, if higher education were to produce a great number of responsible graduates with a professionally well-founded argumentative logic and with clear commitments to values, these graduates would hardly fit into the above-mentioned structure. The other contradiction is that there is a clear-cut and deep abyss between university education and actual practice. They say of course, that a university is supposed to provide only some theoretical basic training which enables graduates to become holders of knowledge which can be converted. The trouble is that a majority of institutions of higher education cannot provide such clearly visible, convertible knowledge. They cannot, because the entire educational structure, its entire system of direction, is strongly conservative. To top it off, one frequently finds that certain individual branches of science are represented only within one or two departments, within which some centralized blocks distribute scientific degrees and funds among each other. Accordingly, it is no wonder that a good number of university departments, particularly in the countryside, have become the citadels of personal power, of stagnant provincialism and of opposition to change. A very strong sense of conservatism also contributes to the fact that higher education decisively caters to needs presented by those in power; accordingly, it manufactures appropriately loyal members of the intelligentsia. Thus, in the end, higher education serves its function very well....

It is true of course that in all social structures universities have the greatest difficulty adapting. Higher educational hierarchies are most rigid in other areas of the world also, and the intertwining of power within the higher educational hierarchy is most difficult to untangle. These unfavorable features have become more pronounced as a result of the fact that by now the entire reproductive

model of Hungarian society is experiencing crisis. I interpret this as a crisis of integration, of according legitimacy, of values. Within this crisis education struggles also with some internal functional disturbances. Within a changed social milieu an increasing number of radical conceptions for crisis management are publicized. In light of these radical conceptions one can clearly see that there are some fundamental flaws in the realm of higher education also, and that also faculty counterselection has become strong. At the same time only one-tenth of any generation enters into higher education. On a European scale this is an extraordinarily low ratio. On the other hand, it is also true that 100 percent of that one-tenth completes its university or academic education. An achievement retarding mechanism has evolved and has gained stability, the essence of which is that neither students nor instructors are interested in sophisticated achievements. This is the law of minimizing. If you, the instructor do not question why I was not prepared for class, then I will not ask you why your lectures are inadequate. I also expect you to place only the smallest obstacle in my way to pass the exam at a level which I deem as important. In today's higher education we cannot at all talk about an educational process. Instead we may view it as a very desolate, very deformed information conveyance mechanism. This is coupled with interest in scientific research, an endeavor related to the chance of making money. Considering the low salaries paid by universities, this endeavor simply amounts to an existential constraint. This is the everyday structure of actual activities. Within that structure both teaching and students become nuisances. From the students' standpoint the university represents a burden as long as the sole important matter is to obtain a degree, and it matters not what knowledge the student gathers. In regards to a majority of the graduates the ability to secure a job depends not on the student's achievements at the university, but on his family's system of personal connections. Latest research shows the strong evolution of a caste system already at the high school level, and the proliferation of a new gentroid, practitioner, privatizing lifestyle. With their public life orientation, and with other kinds of value systems, the so-called post-material value system, specialized colleges provide an alternative also in this respect.

[Question] In whose interest is it, and why would it be in one's interest to rise above the system you described, and to announce one's own values and establish a career that is different from what has become customary?

[Answer] I believe that generations which grew up during the past ten years discovered clearly that the perspectives have substantially faded. For this reason—even though this may be contrary to their momentary self-interest—they feel compelled to embark on activities and to accumulate accomplishments which represent truly convertible knowledge pursuant to the value system of European historical progression, one that is indispensable in a morally purified, functional, well-functioning society.

[Question] But why would they do that? Why would one act contrary to his momentary interest?

[Answer] This action is not guided primarily by interests. It is guided by values. Simply put: the student feels uneasy in the given environment, and therefore wishes to establish a microclimate in which he can live through his everyday life according to his own values, in which he can choose his own leaders, his own cluster of professional knowledge in which he has the greatest interest. It should be stated here that the way I see it there are two specialized colleges today which enjoy relative independence, i.e. within the university body they possess a degree of autonomy which permits them to organize themselves, and which are organizationally, institutionally and physically separate from the university. One of these is the Laszlo Rajk specialized college, established in 1971. The other is ours, the Lawyers Social Science Specialized College. The Rajk Specialized College served as the basic model. Social and university conditions too were very favorable at the time of its establishment. At that time it seemed as if the conduct, behavior, knowledge and value orientation of reform economists would become important from the standpoint of Hungarian social renewal. Kalman Szabo served as university rector. He carefully nurtured the traditions of the National Association of People's Colleges [NEKOSZ]. He deemed it very important to bring about an educational and coexistential form similar to the one provided by NEKOSZ, which, among other things, provided an opportunity to students from the countryside who started out from a disadvantaged position, to overcome their disadvantages at a faster pace. The other goal was to bring about a democratic, self-governing small community model within which a university student culture may evolve—not the culture of subordinates, but one that is interlaced with civilian citizen self-consciousness, with its own, specific mechanisms. During the past 20 years the Rajk College did everything possible to bring about value-oriented specialized colleges similar to the Rajk college within other universities and especially in the countryside. Nevertheless all the new organizational endeavors came to a dead end. Insofar as we are concerned, we were able to establish the institutionally independent lawyers' specialized college in the Menesi Street building under reconstruction, a building that was about to become available. Peter Schmidt, then dean of the law faculty also espoused the NEKOSZ value system. I could say that it was his labor of love to witness the evolution of college life which provides an opportunity for systematic professional activities, and for taking part in public life and in politics. An interpretation of the meaning of laws by which laws constitute primarily a system of guarantees, which may establish limitations also for the state, and which indicates the extent to which those in power may interfere with the citizens' lives and with the everyday processes of society, comes very close to my system of values. The prevailing conception thus far nurtured a belief that laws and the state are omnipotent, that by and through laws the state could do anything with the citizens. We have no chance to become

a nation of laws unless we are able to restore the prestige of laws, and to bring the law down to the level of society. At the time Peter Schmidt supported the establishment of lawyers' specialized colleges he himself knew that his support catalyzed some processes which can be maintained within the traditional framework under existing circumstances only at the price of some great conflicts. He saw clearly that an autonomous organizational mode would be very difficult to fit into the present system of university education, precisely because of a different conception of laws, and because of an educational model of a different character. As I see it, it was not until the middle 1980's that a situation evolved in which specialized colleges became accepted in terms of university public life. Other self-organizational effort by society, endeavors by civilian society, moved into the sphere of matters being "tolerated," and this only after it turned out that the center of the system was unable to resolve the contradictions of society by using its traditional means. For this reason the center of the system needed all constructive energy which seeks answers to the accumulated problems, and holds the promise of resolving those problems. Accordingly, the liquidation of horizontal social integration would be a suicidal maneuver. This means that the outlines, the pillars of a model for the direction of society, ones that are different from what we had before, is beginning to take shape, becoming established. Society itself is beginning to become organized, expressing an increasing need for an actual opportunity for the democratic control of the political decision making mechanisms, rather than for the mere representation of the stability concerns of those in power in the course of the everyday exercise of power.

[Question] For the time being let us stay with the lawyers' specialized college, established in 1983 within the Menesi Street building. From the future standpoint the guarantees, the financial conditions available for the sustenance of the college are fundamental.

[Answer] Our establishment was tied to the condition that there would be a group of people wishing to form a specialized college. On Budaorsi Street there came about a generation which established a specialized college pursuant to Keri's conception. As a resident assistant master I was one of those who directed this work, and I had a friend named Istvan Lukacs who also lived in the college as a resident assistant master. The student body which constituted and represented the main core of the founders of Menesi Street gathered around the two of us. I was selected to become director because I acquired status at the university, I lived at the college where I took part already in the workings of the specialized college.

[Question] So then all of your parameters were favorable....

[Answer] That's right. I took part in the university's public life. Accordingly, I had a background on the basis of which they could trust me. Following my third year I served as KISZ secretary of our class—in those days

things had to be accomplished already within KISZ. Accomplishments in those days meant the arrangement of graduation ceremonies and the organization of the law students' ball, in other words, some operational tasks. Accordingly, during my university years it was not the effects of KISZ that acted as determinants, but rather the impact of the college, and within that, the impact of the specialized college. I became a party member during my fourth year. This event evoked rather heated debates within my circle of friends. It was at that time that Agnes Hankiss' writing entitled "Authentic and Not Authentic" was published in VALOSAG, and it was in this relationship that my friends questioned how they should view the step I have taken. We had a small group within the college called "Mikor" in which we debated in part personal problems, and in part scientific issues. My entire life's history suggested that one can relate to things in many different ways, including to the system. One may exercise harsh judgments from the outside on the one hand, and one may believe that the system can be changed, on the other. And I accepted the task of trying to do something from within an organization whose prestige was rather low in the eyes of our generation. Well, the truth is that I accomplished rather little using the party framework and organization as a party member. I could say that I accomplished nothing. From my standpoint the party did not lend me an identifying force; it did not convey a profile with a pronounced character to which I could have related. All it provided was a license so that I could not be stigmatized as one who looks at things only from the outside, and that I am not trying to accomplish anything from the inside. To the end I emphasized the importance of actual constructive criticism, and tried to realize that by way of my actions. In my mind party membership meant the acceptance of the fact that I am thinking seriously, here and now in Hungary, i.e. that in Central-Eastern Europe we must do something in order to have a democratic society, so that the needs of the citizenry become articulated, and so that the entire power mechanism may be transformed in a radical fashion. Accordingly, if here and now we are getting into a more delicate situation, obviously the issue will arise where you belong, where you stand, and what these represent. The answer depends on the meaning of the party itself. Because if the party continues to treat me, a party member, as a loyal subject, generally and continuously excluding me from the opportunity to substantively involve myself in party decisions, then the issue of belonging arises in specific terms, and then the party obviously will not be my party. I am trying to use my party membership to transform the party itself. I am trying to use my party membership so that the party fulfill its function of providing strategic direction to society, the task it is called to perform. Because the party cannot be sustained in its present form for long merely on the basis of traditions, international constraints and other matters.

[Question] You evaluated your relationship with the political system, but you have not answered the question concerning the financial and material conditions tied to the functioning of the specialized college of law.

[Answer] From a budgetary standpoint the specialized college was not an independent university institution as of September 1983. As a very odd creature it was financially depended on the Eotvos College. We were separated from the Jozsef Eotvos College as an independently budgeted institution on 1 January 1984. Our annual budget amounts to about 800,000 forints, half of which is spent for material purposes while the remaining 400,000 covers personal service expenditures. There is a doorman, a furnace man, a cleaner and a custodian working in three shifts; we are operating the college with the smallest possible number of employees, that is. The resident assistant master as well as I, in my capacity as director, receive an honorarium. In the end, our fledgling college was nicely refurbished, nevertheless a few things were swept under the rug. Cleaning up the garden and renewing the telephone network remain chronic problems. Accordingly, by using our budgetary allocations we could only operate the college, and cover only those expenses that were most necessary. In a certain sense we took some risks also. We accepted the budgetary framework as a guiding principle, and spent only as much as we could spend with a good conscience. But these funds were not sufficient to cover major investments. True, on each occasion we considered what else we would have to do, but only a fraction of those things could be realized. The great change took place when following the Eotvos College's example we too applied to the Soros Foundation. We received 1.2 million forints. From a practical standpoint we received those funds in four installments, and we are continuing to receive those funds even today. We are spending the money to enlarge our library collection, for certain technical equipment such as a photo copying machine, for the development of self-initiated activities, and for publication purposes. We did not have a single book or a real library at the time we moved to Menesi Street. We requested as many donations as possible, and we are continuing to do so today, but still, a number of fundamental books are missing. We still have 300,000 forints from the Soros funds and we are trying to spend that money wisely. But we already know from the previous years' experiences that we have not received a single penny for investment purposes, and that they are not taking care of our most fundamental needs. A year ago the water was leaking into one of our rooms. They told us that there was no repair money available. The floor swelled up because the insulation was bad. We asked them to lay a new floor, and that did not happen either. The windows were installed in such a way that those super Alplast latches simply could not be opened. The entire windowsill sank; therefore they tipped it. The room is not properly ventilated, and there exists a safety hazard also. There were many small problems particularly during the initial years. These problems wore me out. I experienced the malfunctioning of the system on my own skin. It was difficult to fit into the formal university structure an institution which no one wanted, because from an administrative standpoint it represented an additional burden. But in the end we did accomplish the fact that compared to our start four years ago; the college is now in a very good condition

insofar as its technical preparedness is concerned. There are rooms with two, three and four beds, and there is a separate study room attached to dormitories with four beds. True, the showers were placed in the corridor, but this is compensated by the very pleasant environment, the outstanding location of the building.

[Question] The ceaseless conflicts, however, were not primarily the results of budgetary and technical conflicts, but of the students' basic stance concerning their conduct, their commitments and their professed faith. What character did these clashes assume—what factors provoked the tensions and how was it possible to resolve those tensions?

[Answer] First of all, the college chose a resident assistant master who did not complete the university. He did not take the state bar exam. It makes no difference—despite this fact the 64 specialized college students declared in writing that they would like to see Istvan Lukacs as the resident assistant master. We insisted upon having him primarily because of his accomplishments in the organizational phase of the college, and because of his definitive, directional role among college students. The dean received the 64 signatures, and at the beginning of the year at the general meeting of the college he brought up the issue: well, just how does it look that the resident assistant master of a professional college is a man who is unable to comply with the professional requirements? In the end there came about a compromise resolution between the university and the college, according to which Istvan Lukacs could not become the resident assistant master, but would be permitted to reside in the college as the college's senior until such a time that his apartment problems are resolved. In practice this amounted to the same as if he had been the resident assistant master. In this sense then, the college won the battle. In a formal manner, however, the college was unable to sustain its need at the time....

Then came the Dieter Esch case. Esch is an activist of the FGR's Green Party. He came to Hungary as a member of the European Parliament, and as part of a delegation. The boys invited him for an evening chat as long as he was here. The university learned about the meeting, moreover the university learned about it from the Ministry of Interior. The Ministry learned about Dieter Esch' visit at the college before I did. This is so because at the time I happened to be in the countryside and the boys were unable to reach me. This was not a planned program. It was entirely spontaneous. Notwithstanding this fact I was forced to explain why we did not report the invitation.

A larger conflict was caused by the 1985 camping at Szarvas. This was the first, truly large assembly of specialized colleges. It was formally designated as the Fourth National Meeting of Specialized Colleges. Already during the preparatory period they tried to find out why such problems as poverty, modernization, legal autonomy, and self-organizing small communities were

of interest to us. Subsequently the higher-ups were troubled by the speakers: couldn't we find some professionals other than Miklos Szabo, Sandor Kopatsy and Mihaly Bihari? In contrast, our starting point was that only constitutional limitations could bar us from inviting certain persons, putting into writing certain matters, or organizing certain functions. Accordingly, we found that we could do anything that was not forbidden by law. In response the university leadership said that they were fundamentally supporting the things we were doing, that they viewed all these matters favorably, but that at the same time I should understand their point-of-view, because, after all, they were receiving messages from various places and from higher organs stating that the events in the college were intolerable after all. Accordingly, they always conveyed some higher requirement, some higher level disapproval. Whenever I asked for the specific source of disapproval I was told that it was the Ministry of Culture and Education or party headquarters.

The real problem following the camping at Szarvas was that we were not only denounced, but the rectors of the universities involved were summoned to appear. They were told to explain how a specialized college could organize a function in which representatives of the party and of the university were not present, and in which the audience was influenced by personalities wearing the colors of the opposition.... We had a few more skirmishes following Szarvas, among other matters as a result of the Bibó memorial exhibit with Sandor Szilagyi as the guest speaker. Certain persons "of authority" were present at the specialized college prior to the opening of the exhibit. They told me a story that Sandor Szilagyi belongs to the third echelon of the opposition. So what? What should I do after all this? They told me that it would be best to cancel the entire performance. But they were not sure, they would leave the decision up to me. In response I said that we would go on with the performance, because it would be a greater loss if we were to cancel. Anyway, it is my belief that in order to judge someone's viewpoint and responsibility, that person should have an opportunity to at least express his opinion. As an aside: in my view Sandor Szilagyi at that time made a very poor presentation, regardless of whether he represented the opposition. A new, larger conflict had its beginnings last year in conjunction with the organization of the college camping at Papa, and relative to our already existing publications. Our specialized college reports, moreover the second issue of our periodical SZAZADVEG had seen the light of day. I believe the first and second issues appeared in 200 copies, while the third issue was published in 800 copies.

[Question] Why did these few hundred copies of SZAZADVEG create conflict?

[Answer] I asked the same question, but there was no definite answer. The problem is that a few persons are unshakable in their conviction that whatever happens with and around us is definitely part of an opposition

strategy. Those who hold this perception view the appearance, lectures or writings in college periodicals, of persons listed in the opposition camp as an undesirable trend. No one has stated this matter this clearly, but fragmentary opinions put together form this picture. It was under such suspicion laden circumstances that we arrived at the national camping of specialized colleges in Papa, 1987. The program itself progressed rather smoothly, but the no confidence proposal drafted at the meeting turned out to be a situation report concerning general feelings, one that was very important and kicked up a lot of dust. In it we expressed our uncertainties concerning our own future. We continued by saying that we feared that we would have to live our lives under circumstances we did not like, and that we would have to work at places which did not require our knowledge. We live in a society in which we have no opportunity to involve ourselves in the formulation of our own living conditions.... In those days everyone wrote proclamations to the government stating various expectations, but the specialized colleges did not want to have some 12 point demand. We declared that we believed that the main direction of our actions was the molding of ourselves into a community in which we could act pursuant to our own values. We are aware of the fact that we must establish the linkage for ourselves by establishing roots, that we must acquire professionalism and sensible knowledge, one that is available only in a few places through official forms; that we must assemble, which is difficult, we must express opinions, which we are not used to do, and that we must choose a community, which does not exist. These are our needs and tasks, and we know that as of today, this type of action does not come as natural. This path demands a calling and requires individual commitment, it demands a responsible conduct of life, nevertheless there are a few who wish to take this path. There are only a few of us, and no less is at stake than our own future. We have no one to wait for, time is not on our side.... This was the essence of the statement. Once publicized, many feared that the movement of specialized colleges would shortly announce the creation of an independent youth organization. To top it off, after Papa the events accelerated, and at the end of October the meeting at Velem took place where we discussed quite a few smart things. In Velem we decided that specialized colleges would establish an office for mutual information exchange, where students could receive legal assistance, one that would publish a joint newspaper at a later date. These decisions frightened the official organs.

[Question] Let's now discuss the East-West dialogue, the word of which, I believe, was conveyed to a rather narrow circle of people in various versions, based on distorted bits of information. What was this November event all about?

[Answer] There was and there is a group of students in the college which manifests a vivid interest in the peace program and the program of the Greens. This interest was manifested also in the invitation of Dieter Esch, as

well as in the special edition of the specialized college Reporter. This was perhaps the first time in Hungary that such condensed, open and sophisticated interviews and analytical writings concerning the environment appeared. This publication of ours also carried for example the more significant documents of the Danube Circle. Accordingly, preceding the event the board was presented a proposal which had its roots in the professional, political interest of a group of students. These students requested that a group to be formed from among Menesi Street students represent the college and act as co-organizers, together with the East-West Dialogue group in organizing a conference in Hungary.

[Question] Where does that group belong?

[Answer] In essence, it is an independent organization of citizens, with members in many countries. Through Feri Miszlivetz, who deals with issues of militarism, European balance and the role of great powers, four of our college people participated in Coventry at an international conference which had a decisive peace movement character. There they presented the special edition of their report, which was received very favorably. In Coventry the Hungarian peace movement joined END (European Nuclear Disarmament), which in its capacity as a movement calling for nuclear disarmament is part of the East-West Dialogue Group. Regarding the Budapest function we initially contemplated a gathering of 40-50 people, most likely in one of the rooms at the college. The original agenda included two topics. One pertained to Gorbachev and the relaxation in Europe. The other pertained to the chances of the agenda of the All-Europe independent peace movement. In the end a third topic was added: the issue of conscientious objectors. The board, the autonomous governing body of the college, supported the idea, and brought a decision with respect to the college joining this affair. Since the entire matter pertains to an unofficial independent citizen initiative, the organizers felt that they needed no official permit. Their ideology was that if the great powers were permitted to meet, then citizens too, in a sovereign manner, could do the same.

Organizational work began. It turned out that the National Peace Council was disturbed because they were not the ones who organized the conference. There is nothing special about such a conference, but it is very much out of order if the National Peace Council does not have a directing role in the matter. This, of course, was stated by no one, but this is how I put together the pieces of the mosaic. At first the official organs argued whether there should or should not be a meeting. Not having a meeting would have been very unpleasant. How would it look after Coventry that a conference organized by independent peace movement activists is torpedoed in Hungary. But what could be done? They could create a situation, for instance in which the National Peace Council hurries to assist those in need by offering room for the meeting, thus becoming co-organizers of the function. I received "well intended" warnings from

several places. I was summoned, for instance, by one leading politician. He told me that the college really did not need all this turmoil. Under no circumstances should we hold this conference under the roof of the Menesi Street college. On another occasion the departmental party secretary asked me to see him. He asked what the East-West meeting was all about. In other words: who were the participants, who were the organizers? I did make this remark: "I assume you're asking this question from me, the party member...." "Of course, of course, it is in your capacity as a party member that I'm asking this question...." "Because I can give you an answer only if you do not ask questions in your capacity as my superior in the organization. I will send you a list nevertheless, so that the party looks good. But note, the official avenue for obtaining such information is through the state—you could inquire at the state also...." I added that final remark because they were scared prior to the Velem meeting also. They thought that some organizing of the opposition would take place there. For this reason the dean requested a program concerning the college's plans for the following semester, meaning the second half of 1987. This process was rather unusual. Usually we reported our activities after the fact. In any event, I jotted down the new courses we would start, the fact that we would organize a Geza Marton exhibit as well as an East-West meeting. In other words, by late October the university leadership had in hand a paper concerning the East-West meeting on 21-22 November, the two topics in English, together with the list of those invited and that the function is being prepared by a collegiate organizing committee. Accordingly, I notified the university's leadership on time, nevertheless later they claimed that they did not receive timely notice of the event. The party secretary also inquired as to the nature of the East-West organization, and about what would actually take place. It was then that I first heard the following reasoning: I should be aware of the fact that as a result of my family background I am enjoying a protected status, but at the same time I could place a good number of students into an unpleasant situation. What the specialized college is doing with my concurrence could cost the students' existence, and they may be even kicked out of the university. I regard this type of conversation as moral extortion. In any event, I forwarded the informative bulletin to the university party committee, and then I took a week's trip to the countryside. By the time I returned the dancing had stopped. The ministry questioned the university's foreign affairs division why the ministry at Szalay Street did not know anything about this function. The turmoil continued, particularly during the final week, when one after another, permissions to occupy various auditoriums was revoked.

[Question] What kinds of auditoriums did you choose?

[Answer] First we looked at the Kossuth Club. They rejected us. Then we found the Pioneers' Home. They too rejected us.

[Question] On what grounds did they reject you?

[Answer] All claimed to have important functions scheduled for those days. Moreover, the meeting room of the Laszlo Rajk specialized college offered to us was also rejected in the final round. Namely, the rector spoke with the director of the specialized college, saying that this won't go through. The rector, on the other hand, was told by party headquarters and by the ministry that an East-West meeting should not be organized within university premises. At this point we began making calls to party headquarters and to the ministry, so that they let us know what their problems were with this function. Those in charge were either at meetings or on vacation.... Meanwhile a few representatives of Western press agencies were already here, and one or two organizers from abroad also arrived. But we still lacked an auditorium. Under no circumstances did we want to hold the meeting at the college, because we did not have enough room. It is for this reason that I suggested to the organizers to find room at the premises of the Eotvos College. The organizers, however, had rejected this idea from the outset, saying that the director of the Eotvos College would use this opportunity to further his own goals, and the organizers did not like that. Upon cancellation of the Rajk auditorium they relented, however, and agreed to hold the meeting at the Eotvos. Let's go back there, let's talk to the director, the one who had agreed earlier to host the meeting. Following the serial, and not at all coincidental fiascos, I notified the leaders of the university that unless we found another place, we would hold the East-West meeting within the college premises. A day later they declared that the university premises would be out of question. Thereafter I called the National Peace Council and stated in no uncertain terms that it would be expressly a political mistake not to hold this meeting. I told them not to play dumb, I wasn't born yesterday either. I called upon them to take action—they know where—so that this meeting can take place. Otherwise there would be great trouble. Incidentally, on a previous occasion the National Peace Council had called us stating that they learned about the East-West conference from a Western newspaper. Further, they advised that they would be interested, and that they would be pleased to help considering our problems with available premises they have heard about. They figured that we should go to the island where the ship yard is, or to Csilleberc, and that it so happens that there is available space suitable for this meeting in the fifth district of Budapest also. Meanwhile we received some other information. One piece of information had it that they told the Rajk college people that they would have the police take away those two Western participants who were assigned to our college. The two westerners got word of this news. They telephoned to THE NEW YORK TIMES and to other media so that they inquire at the ministry as to what problems there were with this function. It was at this point that I tried to explain to those "in charge" that this situation could only have an adverse ending. On the other hand, the organizers held out and argued that if the National Peace Council could obtain room for the meeting, they could too. If this is not so, then 180 people will be

strutting about on Menesi Street. A totally dumb situation evolved, even though it was apparent that some great political capital for Hungary could be forged out of this meeting. In the final round the organizers found new premises, but the address was not conveyed to anyone until the last moment so that no rejection would be received on grounds of some other very important scheduled event. Finally, on 21 November, at the music school on the corner of Sandor Furst and Miklos Radnoti Streets some 170 people gathered. The initial gathering took place at the Menesi Street college. We distributed entry slips there. From Menesi Street the group took taxicabs to Sandor Furst Street....

Our meeting was characterized by civilized debate—an event deemed to be significant by all. The westerners valued the fact that a public meeting took place, in which many kinds of people could participate, and in which directly opposite opinions could be voiced. All this served to prove that indeed it was possible to conduct constructive dialogue. In Hungary, however, the political sphere viewed the meeting as the specialized college of law having fallen under the influence of the opposition, as that this can be amply demonstrated by the list of those invited. Based on an informal evaluation we invited altogether two party members and two KISZ members against 17 so called members of the opposition, which is not true, of course. This odd accounting was presented within a KISZ forum. As an aside: it was at this KISZ meeting that someone asked: "How come that the party was not present at important events like Lakitelek and the East-West meeting? Where, if not at such meetings does the party want to exert its influence?" To this date, however, I have not received an officially dispatched evaluation addressed to me. This is so, even though following the meeting I paid a visit at the dean's and asked whether there was an official position. He responded by saying that he was present during the dialogue, that he liked it and viewed the debate as constructive. He then added that I would receive a letter at a later date from the university's rector, and that the letter would also deal with the shortcoming of failing to provide advance notice of the function. Thus far, however, nothing had happened.

[Question] What was the press response?

[Answer] The Hungarian press did not carry the statements of the specialized college students—the actual organizers. This too shows that the National Peace Council endeavored to strengthen its own prestige by virtue of this important and successful meeting. All Western newspapers hailed the meeting with exuberant ovation, and valued the endurance of the specialized college students who struggled through conflicts. The fact that the meeting came about without police and political interference, which in turn in a way raised the prestige of the system also, was valued highly. And to show just how unfounded the preliminary fears were, here is the statement adopted at the meeting. This document will appear in the January issue of the specialized college Reporter.

"I. The citizens of 17 European countries and of the United States gathered in Budapest 21-22 November 1987 to debate the following issues: 1. the European alternatives to Gorbachev's reforms; 2. conscientious objectors; and 3. possible common goals and prospects of an All-European democratic movement. The meeting was jointly organized by the ELTE College of Political Science and Law [AJTK], Social Science Specialized College, and the European network of East-West Dialogue. The meeting in Budapest represents an important step forward in the ongoing dialogue between the East and the West; it helped mutual acquaintances and the further development of common views and initiatives. All participants agreed that more similar meetings are needed in the future.

"II. We, the undersigned, participants at the meeting commit ourselves to cooperate regarding the furtherance of the following goals: 1. The articulation and elucidation of mutual values, and in the course of a search for the positive identity of a democratic All-European movement. 2. The furtherance of demilitarization at all levels of East-West relations, as well as in the East and the West. This includes both nuclear and conventional disarmament, respect for conscientious objectors as well as the establishment of a democratic peace culture. 3. The initiation of the withdrawal of foreign troops from Europe, both from the East and from the West, and of the liquidation of military bases, in the interest of overcoming the division of the world into blocs. This process will enhance the establishment of a democratic, sovereign and peaceful Europe. 4. In the interest of ecological survival the furtherance of the All-European movement, and the support of every related effort. 5. Cooperation, and the broadening of the sphere of action throughout Europe in the interest of achieving active civilian societies, in which the rights of individuals are guaranteed, respected and are not subordinate to state power. This includes the right of citizens to form independent groups, associations and organizations." Incidentally, the statement was signed by 100 persons.

[Question] I happened to read a study concerning specialized colleges. It states that in the initial days the already mentioned basic core consisted of young persons who manifested deviant conduct, moreover, that as a result of selection, the college accepted university students who held their own views, which, in turn generally also signified a separate stance. In other words, one may assume that the conflicts gathered around the college are due not to a small degree to personal factors.

[Answer] It is characteristic that in this society the voicing and representation of one's own opinion may have been deemed as deviance, and perhaps it is so deemed even today. Because it is true that these kids experienced the expression of their own opinion as a form of deviance in high school, and in a certain sense also at the university. Accordingly, these kids have gone through their own socialization process, in which their personalities were molded in more solid forms, and in

which it becomes more clear who is guided by what system of values. In political terms this manifests itself in their being opposed to this mechanism. This too is included in the study. At the same time these youngsters also evaluate those who represent that mechanism. In other words, what counts is the personality of the college director, of the university dean, of the departmental chairman or the instructor, irrespective of the fact that in their eyes all of these represent and provide commentary on the system. They were indeed in the opposition to the extent that they wanted to accomplish a radical severance of their relations with this structure. From this standpoint the entire process of forming a college was a learning process. The conflicts, the experiences strengthened the sense of opposition in some, while in others they deepened the belief that there is still some room to act for individuals and for small communities. Some of us were guided by the conviction that although the problems of being a lawyer will not be resolved by the specialized college, and that no answer will be found to the self-organization concerns of Hungarian society, specialized colleges still provide an opportunity to produce professionals with a broader outlook, and knowledgeable people with proper underpinnings. Let them take with them the practice and experience given by the college, independent from that fact that being a university student constitutes a closed world in a test tube. Having come out of this environment and having returned to one's own fiber, each student should try to build his own civilian society.

[Question] There is also another version of this relationship. Namely, that following five years in a relatively sheltered environment, people who developed within a free-thinking small community return to a milieu in which values alien to those learned in the specialized college dominate, and the same attributes are not the same attributes, and are assessed differently.

[Answer] If this society wants to survive, the developmental trend can be none other than what these small communities unfold, what society itself carries to full maturity, what is Hungarian, what adapts to the line of European progression. This guards, molds further and conveys those fundamental values which have been accumulated thus far in human history. One of the missions of socialism is the establishment of an institutional framework for the prevalence of freedom, for the legitimization, acceptance and satisfaction of societal needs. Just what form the organization suitable to accomplish these goals will take should be left the subject of an ongoing debate. In my view, in these days it is the task of every member of the intelligentsia to hasten and generate competence in society and the establishment of an opportunity for self-education, and specialized colleges can be the yeast in this process. The fact that this form of conduct is accompanied by conflicts, and that it will not produce existential success, career, in the short run, is apparent to those who live in these colleges. This is an incredibly difficult, rugged road to travel for anyone who chooses that road. One must make a choice, however.

12995

CZECHOSLOVAKIA

New Law Might Merely 'Repaint Enterprise Name Signs'

24000142 Prague TVORBA in Czech
No 3, 29 Jun 88 p 2

[Text] During discussions of the draft law on state enterprise we published on the pages of TVORBA facts which showed the undesirable Czechoslovak world primacy in average size of enterprises, and we raised a warning finger against a possible continuation of such gigantomania. We have done so in order to express our fear that it might come down to "repainting the enterprise name signs," (i.e., nothing more than a blanket switch-over from VHJ [Economic Production Units] to enterprises). At the press conference, the subject of which was the CSSR government decision of last week which had approved the first stage of the restructuring of the enterprise base, we reached the conclusion that our fears had been justified. We concluded this because of a government representative's admission that during the preparation, evaluation, and submission of proposals for the establishment of state enterprises, government officials did not proceed strictly according to the principles of restructuring. The idea that the new state enterprises be formed primarily from the existing national, branch, or concern enterprises had been discarded; there was very little regard for the needs of kombinat-type arrangements and the specialized production programs. On the contrary, efforts to "rename the existing firms" and to retain the existing bureaucratic concentration within the framework of existing VHJ were continued, the branch approach was overused, and minimal use was made of associations or stock-type enterprises. There was evidence of biased decision-making. Branches submitted to the government only a minimum of individual suggestions (in some places the proposal-making parties even encountered artificially created economic, administrative, and personnel obstacles). Should the government succumb to these negative efforts, one of the most fundamental requirements for a successful functioning of the economic mechanism would be destroyed.

As it happened, the government merely approved during this first stage those proposals which called forth no conflict between the position of the ministries and the enterprise sphere. The result was the creation of 412 new state enterprises (formed as of 1 July 1988 from the 680 erstwhile organizations of the enterprise type). They represent roughly 30 percent of our production and distribution costs base, changed to new conditions of management. Their average size is about 6,000 employees. Additional dates for establishment of state enterprises were set by the government for 1 January, 1 April, and 1 July 1989. Let us hope that by then many of the parties making the proposals are cured of the sickness called gigantomania.

GERMAN DEMOCRATIC REPUBLIC

Industry Causing Extensive Water Pollution

23000098 Hamburg DER SPIEGEL in German
20 Jun 88 pp 194-196

[Text] When 48-year-old Herwig Lehmann goes around Hamburg harbor with his sample bottles and measuring equipment, he becomes "quite depressed" each time.

It is not just the fault of the putrid black-brown broth that he pours into his glass jars. The water expert is affected more by what he cannot see, but can smell: the carbolic acid fumes that rise from numerous muddy corners. The scientist does not need to bother with any complicated methods of analysis, his nose has already told him the origin of the substance that can cause kidney and liver damage: his native country, the GDR.

Lehmann, who was born in Magdeburg and is now a professor at the Institute of Water Management at the University of Hamburg, also knows the sources from which this environmental poison bubbles: the Leuna works tip 480 kg into the Saale each day, the remainder goes down the stream from the area around Leipzig and south of Cottbus. The stuff comes from Niederlausitz from the Schwarze Pumpe Brown Coal Combine, or flows in by way of the Pleisse, which is being filled up by the Otto Grotewohl petroleum plant in Boehlen and the VEB Brown Coal Refining Plant, Espenhain. The carbolic acid concentration in this small river is 1,000 times higher than the limit for drinking water in the GDR.

And there are all kinds of other things being swept in from the East: heavy metals, chemical poisons, nitrogens—the GDR is polluting the Elbe so thoroughly that on this side of the border the filth from industrial operations in the FRG is of little importance. Western experts estimate that 90 percent of the pollutants in the Elbe come from the workers' and peasants' state, which has hardly any ecological policy.

The river between the two Germanys is one of the principal polluters of the North Sea, responsible for health risks from swimming, for algae poisoning, the death of fish and seals—a veritable gravedigger.

Lehmann, who fled to the West 11 years ago, has listed the worst polluters in the GDR in a hitherto unpublished study for the Office of the Environment in Berlin. Using a computer program, he calculated the effect the toxins are having, kilometer by kilometer along the river. In Lehmann's words: "A lot is washing downstream that does not have its full effect until this side."

Not one single water course in the Saxon industrial region is still intact. Where the Leuna works have their three main drain pipes (kilometer 302), the oxygen content of the river drops abruptly to zero. Where the Albert Funk Mining Combine and the Weissenborn

Cellulose Factory on the edge of the Erzgebirge pour their nitrogen-containing waste into the Freiberg Mulde, the waters are completely ruined for the next 40 km.

No matter whether it is the Schwarze Elster or the Weisse Elster, the Unstrut or the Saale—the rivers flowing into the Elbe have degenerated into sewers. For long stretches they no longer contain a single milligram of oxygen, which would be needed to support trout and perch.

There are hardly any waste treatment plants which could filter out the filth. And if there are, they are technologically at a pre-World War II level. Lehmann, who wrote his doctoral dissertation in the GDR on pollution problems in the Zwickau Mulde, reports: "At best they have settling ponds, dangerous materials are not retained." Around the Bitterfeld Chemical Combine, with 20,000 employees the largest pesticide producer in the GDR, the fish have died out, many varieties of plants cannot be found, and the ground water resources are barely usable. The plant, which also manufactures the superpoison DDT, long banned in the FRG, disposes of a load of more than 120,000 m³ of waste each day.

This stew contains a mixture of toxic chlorides and heavy metals, the mercury content alone of one day's load (12 kg) equals the annual production of all factories along the Elbe in Schleswig-Holstein. All this, Lehmann writes, is discharged "directly, without having gone through any treatment plant" into the Mulde.

The neighboring Wolfen film factory (Orwo films) operates in a prehistoric fashion. In the words of the study, the waste water is collected "in a hole left over from open face mining" and "after a short time" is discharged into the Mulde. The Saale, for its part, has to absorb the toxic waste from the Buna Plastics Factory (state advertising: "Plastics and Rubber Products from Schkopau"). Each day Buna dumps 20 kg of mercury and huge amounts of chlorine waste into the river. In the same period, Leuna discharges 13 tons of ammonium and about 400 tons of long-lived oxygen consumers into the Saale.

Paper and cellulose factories, brown coal combines, potash factories, chemical plants, community sewage pipes and excess fertilizers from the fields round out the load of filth that pours into the Elbe from an 85,000 km² catchment area—a huge river of poison.

Each year more than 160,000 tons of nitrogen, just under 10,000 tons of phosphorus, 23 tons of mercury, 124 tons of lead, 112 tons of arsenic, plus more than 600 kg of Lindan (HCH), more than 500 kg of the plasticizer PCB and 3,000 kg of the supertoxin pentachlorophenol (PCP) flows past the river water level gauge at Schnackenburg on the intra-German border. The materials are deposited in the mud of Hamburg harbor, find their way out into the Deutsche Bucht and accumulate in animals and plants.

Every year, as in this past June, flounder and ruff which have suffocated float belly up on the surface of the water downstream from Hamburg Stinte. The few fish still alive cannot be sold on the market—their tissue is contaminated with mercury, cadmium, HCH and PCB.

The ecosystem of the North Sea has now been so disturbed that, according to 38-year-old Hamburg marine research scientist, Jan Backhaus, last week, it can become totally unbalanced as the result of minor climatic shifts.

According to the marine scientist: "The bucket is full." Together with a few colleagues from the University of Hamburg, in a letter to Chancellor Helmut Kohl, he proposed setting up a gigantic treatment plant in the Elbe on the border with the GDR.

The "provocatively constructive suggestion" (Backhaus), which would cost DM10 billion according to initial estimates, would not solve the problem: in the view of experts and politicians the money would be much better invested in the East. Lower Saxony's Minister of the Environment Werner Remmers (CDU) thinks a "large-scale transfer of environmental technologies" to the GDR would be in order. Otherwise it will be "hardly possible to still save" the Elbe.

The environmental ministers of the coastal Laender in the FRG demanded last week that the government assist the GDR, which is chronically short of hard currency, with Western money for projects to save the Elbe. In the view of the Hamburg Senator for the Environment, Joerg Kuhbier (SPD), it would cost DM6.4 billion just to clean up the worst water pollution in the GDR. There was an urgent need, he said, to bring a planned treatment plant in Magdeburg up to the latest state of technology with Western assistance.

Lehmann's computer had identified a total of seven major feeders of waste products. According to his calculations, if the city of Wittenberge, 20 km from the border, were to have a new treatment plant as well as Magdeburg, and the chemical factories of Leuna, Buna, Wolfen, Bitterfeld and the VEB Otto Grotewohl, Boehlen, were to treat their waste water to comply with minimal Western standards of cleanliness, the water quality in the lower reaches of the Elbe could be 40 percent better.

All these considerations come to naught on the German-German dispute: the GDR would like to draw the border down the middle of the river, from Bonn's point of view the border is on the east bank of the Elbe. East Berlin just recently once again informed the FRG's Minister of the

Environment Klaus Toepfer (CDU), who is making a trip to the GDR in mid-July, that nothing will happen with the GDR without some resolution of the border question.

The Christian Democrats do not want to accept the GDR's line. Lower Saxony's Prime Minister Ernst Albrecht (CDU), in particular, is fiercely opposed to a

"constitutive act that establishes this border." His reasoning is that these are "fundamental political questions concerning Germany."

West German border police boats always patrol in the middle of the river.

9581/08309

CZECHOSLOVAKIA

Impact of Natural Phenomena on Work Accidents Studied

24000108 Prague LIDOVA DEMOKRACIE in Czech
28 May 88 p 2

[Article by M. Sedlacek, doctor of natural sciences:
"Cosmic Influences and Work Safety"]

[Text] The daily press and radio occasionally refer to data on solar activity which influences the magnetic field of our planet. As is generally assumed and to some extent proven, changes in this field exert an influence—sometimes a considerable one—on the human organism. So far there does not exist a comprehensive theoretical explanation of these influences (if we leave out the dozens of dubious and poorly substantiated hypotheses). Certainly, scientists in many fields are working on a number of specific research projects.

Many laymen still hold the view, incorrectly, that such research is of marginal value. But even if we narrowed the criterion of social importance to the purely economic aspect, we would find that the research results may significantly affect for instance the work accident rate and thereby production.

The main plant of the Agrozet Prostějov enterprise is currently undertaking a verification study in which employees are given information in the form of preventive forecasts of heliogeophysical and meteorological readings. The study was occasioned by the results of many years of research into the effect of natural physical phenomena on the work accident rate. The research has been carried out by the Work Safety Research Institute in Prague.

The main plant of the Agrozet Prostějov has close to 3,000 employees, about 600 of them women. It produces hop-picking combines, fodder choppers, minitractors, potato planters, and Cardan shafts. In 1985 the plant registered 125 work and 336 non-work accidents, resulting in 9,502 days of sick time. For several months now employees of three shops in the plant have been receiving the above-mentioned forecasts prepared 24 hours in advance by the Czech Hydrometeorological Institute in Kockov (Usti nad Labem). These are based on data on solar activity, the state of the Earth's magnetic pole, barometric pressure readings, and other data. The resulting forecast is integrated, expressing biotropism, or more popularly described as the degree of risk, on a scale from one to five. In the shops the respective number is posted on illuminated boards, with brief comments explaining the individual ratings. Furthermore, the boards show the barometric pressure trend (steady, falling, rising, variable). These are based on data gleaned from a local microbarograph—that is, current information related to the specific locality.

We were informed on the progress of the study by Drs J. Tomandl and J. Andrysek of Agrozet, who are cooperating on the project with the Work Safety Research Institute.

The study was launched on 1 September 1987 in the transport section, and starting on 1 January 1988 also in the metalworking shop and the smithy. Overall, nearly 800 people are receiving the forecast. At this stage evidently one cannot make any serious statement about results. Also, the organizers are aware that this is not a pure scientific experiment because the process involves many factors and quite a few of the impacting influences cannot be precisely quantified. Yet even now some interesting findings may be noted.

For the personal motivation of the employees it is of a very basic importance to be informed not only about the project itself, but also about the broader context—that is, the problems involved in the effects of the natural environment on humans.

Dr A. Tomandl: "Individual groups of employees have displayed varying attitudes toward the provision of forecasts. Before the start, the management staff feared abuse, in the sense of refusing to perform assigned tasks, lower work productivity on higher-risk days, and refusing to work on such days. So far, however, no such occurrences have been registered. Some of the management staff believe that plant employees and scientists should address themselves to solving other tasks.

"The project has found a favorable response among foremen, shop supervisors, and drivers in the transport section who generally understand it as an effort to increase safety, to reduce the accident rate and overall absence from work."

For instance, the drivers report that on the higher-risk days they drive more carefully and follow more attentively the conduct of other participants in road traffic. (Incidentally, since launching the project in mid-April, that is, for nearly 8 months, not one of them had an accident!)

The information contained in the forecasts is being spontaneously spread beyond the selected shops, beyond the plant. Technical-economic employees from other businesses are showing interest—they ask for broader information, for literature, for connection with the "Green Wave" program.

Among the workers, interest grew in the stage of preparatory information. It reached maximum at the inception of the project, followed not unnaturally by a decline, or rather adjustment to a "routine" registering of the forecasts. Most employees also inform their kin about the higher-risk days. The factory health center too has shown interest.

Dr A. Tomandl: "The assumption that announcing higher-risk days will exert a bad influence on employees suffering from chronic illness such as hypertension or a history of sudden brain or heart trouble, has so far not been borne out. What we see is an opposite effect: reduced unease in the face of difficulties, abatement of anxiety thanks to the patient's knowledge of the cause and having a measure of chance to avoid risk."

The first phase ends on 31 December of this year. It will be followed by a poll to establish the subjective perceptions, attitudes, and motivations of the participants, which will be evaluated along with the objective results.

Of course, one can debate the scientific value of this project, organized without an exact methodology. Without assessing whether such a scientific experiment is really possible, let us merely state that the authors are primarily interested in finding out whether such forecasts can have an influence on work safety (and this not only in an employment situation). If so, the result would undoubtedly be of direct economic significance, regardless of a more detailed analysis of the influences under study. That analysis, without doubt, will offer enough questions for thorough research for a long time to come.

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